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ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE INTERESTS IN THOSE AREAS OF TERRITORIAL LANDS IN THE YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONSTRUCTION AND OPERATION OF THE SAID NATURAL GAS PIPELINE AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND INCIDENTAL THERETO,

AND

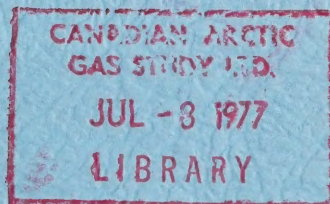
IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD

K.M. LYSYK, ESQ., O.C.	CHAIRMAN
WILLARD PHELPS, ESQ.,	MEMBER
MRS . EDITH BOHMER	MEMBER

P R O C E E D I N G S

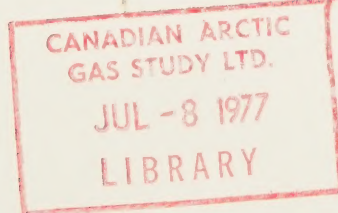
VOLUME 9



WHITEHORSE, Y.T.
May 20th, 1977.

APPENDICES

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Rob McCandless, Esq.	Conservation Society
John Bayly	
Carson Templeton, Esq.	Alaska Highway Pipeline Panel
Ms McPherson	Yukon Association of Social
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1 Whitehorse, Y.T.

2 May 20th, 1977

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

4 MR. CHAIRMAN: All right,
5 ladies and gentlemen, if we might recommence the pro-
6 ceedings and Mr. Goudge, would you like to speak to the
7 Order of the proceedings this morning.

8 MR. GOUDGE: Yes, sir, Mr.
9 Chairman and members of the Board, we have several presen-
10 tations for you this morning. The first to be presented
11 by the Panel before you is on behalf of the Yukon Trans-
12 portation Association. On the left is Mr. Ted Kent, the
13 President of the Association and beside him also a member
14 of the Association, Mr. George Ellis.

15 The brief is available for dis-
16 tribution for any who don't have. I've tried to get it
17 to as many who are here as possible. I think sir, without
18 further adieu, I'd ask Mr. Kent to carry on and present
19 the brief of the Association if you would please sir.

20 EDWARD E. KENT, Sworn;

21 GEORGE A. ELLIS, Sworn;

22
23 (YUKON TRANSPORTATION ASSOCIATION BRIEF MARKED AS
24 EXHIBIT 39)

25 MR. KENT: Good morning Mr.
26 Chairman, ladies and gentlemen.

Kent, 1977
in China

1 My name is Edward E. Kent,
2 President of the Yukon Transportation Association and I'd
3 like to present the Transportation Association's position
4 statement relative to pipelines and directed to the K.M.
5 Iwysyk (Alcan) Inquiry, May of 1977.

6 Since the onset of planning and
7 controversy several years ago relative to pipelines across
8 the north through Yukon and Northwest Territories, the
9 position of the Yukon Transportation Association has been
10 unchanged, therefore, this paper contains little new
11 material but is largely a reiteration of our policy state-
12 ment as stated in local news media and public record in
13 June of 1976, one year ago.

14 Since our membership is represent-
15 ative of all modes of transportation in the North and
16 since transportation is a necessity of business as well
17 as the lifeline of our network of isolated communities,
18 our approach to this question therefore, is of a realistic
19 as well as, a businesslike nature.

20 Let me on, not our legislators,
21 our bureaucrats, nor lastly and most important of all of
22 these, our taxpayers, be misled by smokescreens of end-
23 less and to a large extent, useless dialogue created by so-
24 called public interest groups with idealistic and aesthetic
25 aspirations. Idealism and aesthetics are both necessary
26 threads in the pattern of human relationships and environ-

Kent, Ellis
In Chief

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1 mental preservation and continuity, however, the fact
2 remains and cannot be disputed, that someone must pay the
3 bill and that someone is we, the taxpayer.

4 To date, the pipeline question
5 has appeared to be one of "to be" or "not to be" and
6 approached in this manner has given life and sustenance
7 to a seemingly endless number of investigations, inquiries,
8 Boards and Commissions, producing thousands of pages of
9 transcripts, a large part of which has been and will
10 continue to be prove totally useless and will never be
11 read, utilized or comprehended by those forgotten people
12 who financed it, the taxpayer.

13 While the Yukon Transportation
14 Association wishes to go on record as not being totally
15 opposed to "make work" projects within reasonable bounds
16 and of a useful nature, the magnitude and public expense
17 of these inquiries is not likely to be equalled for some
18 time, hopefully never again during the life span of this
19 generation.

20 It is an indisputable fact that
21 Trade and Commerce or business if you will, is the life-
22 blood of any civilization and the day-to-day needs of
23 the civilization must be served. It therefore, follows
24 then that the pipeline question is not one of "to be or
25 not to be" but if "where and when."

1 Fact I: The Arctic regions of
2 Northern Alaska and Canada and the Arctic Islands are proven
3 to contain amounts of usable natural resources in commercially
4 marketable quantities.

5 Fact II: The depletion in reserves
6 of this type of resources in the lower regions of our continent
7 has at this time , at this point in time, created a demand and
8 therefore a market for these commodities.

9 Fact III: The transmission or trans-
10 portation of commodities from origin to market is a business
11 and must therefore be conducted in a business-like manner.
12 The secondary requirement in any successful business after
13 establishing a market, is efficiency of operation. The most
14 efficient manner of transporting oil and natural gas from
15 to point is by pipeline. The most efficient pipeline is
16 one which: (A) follows the most direct route from origin to
17 destinations and (B) can be built with the least amount of
18 difficulty in terms of topographical considerations and supply
19 routes for personnel and equipment to the job sites and (C)
20 last, but not least, one which can be built at the least
21 expense.

22 Fact IV: The reserves of re-
23 sources presently confined in the Arctic regions will, without
24 any doubt whatsoever, soon be transported to southern areas
25 of immediate and future need. This has been a basic law of
26 survival since the advent of civilization.

1 Since the beginning of history,
2 mankind has advanced and benefited from progress stimulated
3 by progressive thinkers and doers not, because of, but in
4 spite of, those elements who even though they too benefit from
5 progress, for one self serving purpose or another, wish to
6 have their cake and eat it too. In other words, "progress
7 without change". Any thinking person knows that this is not
8 physically possible and therefore the position of this asso-
9 ciation which, by the way, is funded by its progressive, bu-
10 sinesslike and community minded members rather than the
11 syphoning of public funds, is one of "let's get on with it"
12 and supporting in principle, either or both of the proposed
13 routes along the Alaska and Dempster Highways.

14 Anyone contemplating a choice
15 between these routes and the Mackenzie Valley are simply not
16 dealing in reality for these reasons.

17 The majority of the proposed Mac-
18 kenzie route lies in an area of total isolation from any type
19 of supply route except seasonal water navigation. In addition,
20 the characteristics of topography are a combination of
21 mountains, swamp and unnavigable water. Essential to any
22 project of this nature is the availability of ready supply
23 routes, or the building of same.

24 We submit that for these reasons
25 above the choice between the Mackenzie Valley and the Alcan-
26 Dempster routes is one a child could make.

For example, we already enjoy a direct, all weather overland supply route from the southern United States to the Arctic coast via the Alaska Highway. In addition, with little further ado or expense by comparison the Dempster Highway will provide a similar link with Canada's western Arctic. It is only logical therefore, both economically and geographically, to route any proposed pipelines along or as near as possible to these corridors. This would preclude the necessity for spending vast amounts of money to establish supply routes prior to even beginning pipeline construction.

Without counting highway lodges, the Yukon is comprised of seventeen communities, the majority of which lie directly on the Alcan-Dempster network. The exceptions, and their distance off route are follows;

Old Crow	100 miles
Dawson City	30 miles
Mayo-Elsa-Keno	70 miles
Faro-Ross River	150 miles
Carcross	35 miles

Kent, Ellis
In Chief

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1 Geography dictates that Richards
2 Island on the North Coast of the Northwest Territories would
3 be the approximate focal point of gathering systems for the
4 Canadian Arctic. It is therefore geographically economically
5 advisable that a transmission line from that point, run due
6 south through Inuvik, meeting the Dempster at Fort McPherson
7 and following the Dempster south to its junction with the
8 Klondike Highway at Dawson City and from thence down the
9 Klondike Highway to join the Alcan at Whitehorse and then to
10 the South. These corridors have the immediate advantage of
11 ready made and usable supply routes thereby requiring the
12 least amount of disturbance to the environment.

13 An additional consideration, and one of
14 paramount importance to most Yukoners, is the fact that these
15 routes lend themselves most readily to the supply of
16 reasonably priced energy for local use and development. For
17 instance, availability of energy would encourage and accelerate
18 the development of the vast mineral resource areas straddling
19 the Dempster corridor south of Old Crow and north and east
20 of Mayo and Ross River. These facts in turn encourage the
21 further development of the Yukon's hydro potential which in
22 turn will attract non-resident development interest and funding.

23 With the addition to the pipeline system,
24 of a relatively few miles, approximately 300, of dispersal
25 lines, those few communities not directly on the pipeline
26 routes could benefit from local natural gas.

1 Once again, as in our previously
2 published published policy statement, the support of this
3 Association will depend on whether or not these conditions
4 are met in order that Canada and Yukoners will benefit directly
5 from the use of our resources. We will vigorously oppose
6 any movement to stall or interfere with the inevitable and
7 orderly development of these resources and we will further
8 oppose any arrangement whereby populations outside Yukon
9 borders benefit whilst we continue to be deprived.

10 Let's get on with it.

11 Thank you very much.

12 MR. CHAIRMAN: Thank you, Mr. Kent.

13 MR. GOUDGE: Sir, these gentlemen are
14 available if any questions wish to be asked by the
15 participants and if I could just go through the list of
16 interveners sir, and call on them one by one, first Mr.
17 Hudson, for Foothills Pipeline?

18 MR. HUDSON: No questions, Mr. Chairman.

19 MR. GOUDGE: Next, Mr. Joe for
20 Council for Yukon Indians?

21 MR. JOE: No questions.

22 MR. GOUDGE: Mr. Morrison, Whitehorse
23 Chamber of Commerce?

24 MR. MORRISON: No questions.

25 MR. GOUDGE: Association of
26 Municipalities and the City of Whitehorse, I take it, are not

Kent, Ellis
Cr Ex by Bayly

1 here.

2 Mr. Ogilvie for the Chamber of Mines?

3 Ms McPherson for the Yukon Association
4 of Social Workers?

5 Mr. Bayly for the Yukon Conservation
6 Society?

7 MR. BAYLY: I never let a chance go by,
8 Mr. Goudge.

9 CROSS-EXAMINATION BY MR. BAYLY:

10 MR. BAYLY: I just have a couple of
11 questions.

12 Does the Yukon Transportation
13 Association predict that it's members will have to increase
14 their fleet of trucks or train-cars, or airplanes, whatever
15 mode of transportation their business is in, in order to
16 accommodate the supply of the pipeline in addition to the
17 tasks they now perform in the Yukon?

18 MR. KENT: Yes, we do.

19 Q. That will involve, I take it,
20 additional capital expenditures by these companies?

21 A That's correct.

22 Q And these additional capital
23 expenditures, I take it, will involve the borrowing of money
24 by some of the members?

25 A I would assume that certain
26 members of the Association might have to borrow money.

Kent, Ellis
Cr Ex by Bayly

Q Is there any guarantee that
the costs of increasing your fleets, or whatever mode of
transportation will not be passed on to the consumers, not
only to the pipeline companies, but to those other users of
your services?

1 A Is there any guarantee?

2 Q Yes.

3 A Well, we are no different

4 in transportation than we are running a grocery store. When one's

5 costs increase, the costs are passed on to the end user.

6 Q And they would be passed on

7 to all the end users, is that correct?

8 A The people that use our ser-

9 vices.

10 Q They would include the pres-

11 ent people using them and any additional users such as the

12 pipeline company?

13 A Not necessarily. The rate

14 for general freight and merchandise are established-- we are

15 talking special contract work. It is quite possible-- it is

16 within the realm of possibility that a transport company makes

17 a contract with a pipeline supply company whereas you have

18 contracted to haul X number of pounds or tons of commodities

19 for a given price. That is a separate entity altogether from

20 the general freight, the beans and bacon that John Q. Consumer

21 is using.

22 Q So as yet, you don't know

23 what sort of an arrangement would be worked out with either

24 the pipeline company or its contractors?

25 A I don't think it is possible

26 at this time for anybody to know. All we have heard is words,

1 we have had no approval in principle of any pipelines, there
2 has been no firm facts or figures. I don't think there has
3 been any serious negotiations between any supply companies
4 and/or any transport companies-- when I say serious negotiations,
5 I mean establishment of rates, conditions, service, scheduling,
6 et cetera.

7 Q You said on the first page of
8 your statement that the Transportaion Association members
9 provide the lifeline of the transportation network to isolated
10 communities. Will your association and its members guarantee
11 that if a pipeline is built down this Alaska Highway and/or
12 Dempster route that the isolated communities will not suffer
13 loss of/or impairment of services now provided.

14 A I see no reason why any com-
15 munity in the Yukon or any person should suffer any loss of
16 service less than what they have today.

17 Q Will the Yukon Transportation
18 Association or its members undertake to make sure that that
19 in fact continues to be the case even though you may have
20 bigger or more lucrative contracts with the pipeline company?

21 A Sir, that is our business.
22 the only commodity
23 In transportation/ that we have to sell is service. If we do
24 not have service to our costumers, we are out of business.

24 We know full well that if a pipeline
25 comes through, we have a great influx of tonnages for a short
26 period of time, two, three, five years, whatever. Our

1 life blood of the people that are going to be here for
2 twenty, thirty, fourty years. That is our business, service.

3 Q So they are the people
4 that you would give priority to because they are your continuing
5 customers.

6 A That is correct.

7 Q Now, I take it, although you
8 said at page 7 that we should get on with the job; that your
9 statement that orderly development should take place with re-
10 gard to this pipeline means that you don't object to govern-
11 ment and industry planning the pipeline in such a way that
12 any impact on the communities will be either lessened or made
13 acceptable to the people who are living here and are likely to
14 live here for thirty to fourty years?

15 A We do not object to any orderly
16 planning. What we object to, and I may say that the Yukon
17 Transportation Association is composed of a lot of responsible
18 business men in this community, what we object to and we
19 object most strenuously to is this continuing bickering and
20 goings on. Everytime any economic development is proposed in
21 this country, we have a multitude of people and organizations
22 that try to throw stumbling blocks into it for some of the most
23 absurd reasons.

24 Granted, we want to preserve the
25 ecology. We want to preserve the environment but we cannot
26 have any development without some change.

Hont, Ellis
Cr Ex by Bayly

1 We just take offense to the
2 fact that these things go on and on and on. We've been
3 going through studies and commissions now for I don't
4 know how many years. I believe the first gas line pro-
5 posal came out back in the 1970's I believe, when the
6 Mackenzie Pipeline started. We spent literally hundreds
7 of millions of dollars on it.

8 We feel that it is time that
9 rather than be sitting in commissions like this, that it
10 be appointed and somebody get right down to the bare
11 bones facts and put the darn thing in.

12 Q Those are all the
13 questions I have. Thank you very much.

14 MR. CHAIRMAN: Mr. Horton,
15 Government of Yukon?

16 MR. HORTON: No questions.

17 MR. CHAIRMAN: Mr. Taves,
18 Canadian Arctic Gas?

19 MR. TAVES: A couple of
20 questions Mr. Chairman. Before I ask any questions, Mr.
21 Chairman, I'd like to make a short statement to the
22 Commission. I'd like to refer to the Alaska Highway
23 Pipeline Panel Study. The first paragraph of the trans-
24 mittal letter at the beginning of that study indicates
25 that as follows:

26 "This submission will be followed and made by

1 a second report "The Transmission of Prudhoe
2 Bay Gas to American Markets" a preliminary
3 environmental comparison of the Canadian
4 Arctic Gas Pipeline and the Foothills Pipe-
5 line in the Yukon and Northwest Territories.

6 It is our opinion that this is
7 important and we would like to ask the Board whether or
8 not this study will be filed with the Board and if so,
9 when and are -- will it be available to the members?

10 MR. GOUDGE: Perhaps I could
11 respond to that sir. I spoke with Mr. Templeton when he
12 was here last week -- earlier this week -- and he indica-
13 ted to me that he had hopes that his Panel would complete
14 their work on that study in the very near future. He
15 didn't give me a date and I think he was unable to do so
16 but it is a matter of weeks rather than months and he
17 indicated to me at that time, that he would be forwarding
18 that study to your Board just as soon as it is completed.

19 MR. CHAIRMAN: And presumably
20 for inclusion in our record, Mr. Goudge?

21 MR. GOUDGE: Yes, correct.

22 MR. CHAIRMAN: Entry as an
23 exhibit.

24 MR. TAVES: And will the
25 members -- participating members here ---

26 THE CHAIRMAN: I'm sorry, Mr.

Kent, Ellis
Cr Ex by Taves

1 Taves, I lost the beginning your sentence.

2 MR. TAVES: Will the par-
3 ticipating members here be advised when and if the
4 report is filed and where we can get copies.

5 MR. GOUDGE: By all means sir.
6 I'd be happy to do that.

7 MR. TAVES: Thank you.

8 CROSS-EXAMINATION BY MR. TAVES:

9 Q I have a couple of
10 questions for the Panel. I'd like to refer to Page 3 of
11 your submission under the heading 'Fact Three' in the
12 middle of that paragraph you state,

13 "The most efficient pipeline is one which:

14 a) Follows the most direct route from origin
15 to destination."

16 You are aware, I presume, that
17 the Mackenzie Valley route is considerably shorter in
18 mileage than the Alcan proposal.

19 MR. KENT: Yes, we're fully
20 aware of that fact, but -- and we have no choice but to
21 put that in there. It is a fact, yes.

22 Q I'd like to also refer
23 you to sub-paragraph (c) under the same heading which
24 reads,

25 "Last but not least, one which can be built
26 at the least expense."

Kent, Ellis
Cr Ex by Taves
Cr Ex by Goudge

1 I presume you're also aware that
2 the evidence before the National Energy Board suggests
3 that the Mackenzie Valley Pipeline is less expensive than
4 the Alcan Dempster proposal?

5 A The evidence may be
6 before the Board but our Association is composed of people
7 that have worked and practically on a practical basis
8 in the North for a great number of years and whatever
9 evidence you put down, we take very very lightly for the
10 simple fact that we know what the conditions are and
11 whatever dollar value you put on your pipeline, we feel
12 that your transportation costs and materials and handling
13 costs will probably double or triple the facts.

14 The -- we're fully aware what
15 the Mackenzie Delta is all about and what it is like
16 coming down the Mackenzie. We know full well that it will
17 cost you as much to put a damn road in there as what it
18 will cost you to build a pipeline, unless you do it
19 strictly on winter roads operation.

20 Q Thank you.

21 CROSS-EXAMINATION BY MR. GOUDGE:

22 Q One question,
23 Mr. Kent, could you tell me a little about the makeup of
24 your organization?

25 A Our organization is
26 composed of a multitude of people, independent business-
men, representative of major companies. We are represented

Kent, Ellis
Cr Ex by Goudge

1 by rail, truck transport, air transport, telecommunications,
2 and also we have representation from Government -- Yukon
3 Government, Federal Government, in regard to the Depart-
4 ment of Transport, purchasing and supply people, associate
5 members who are not directly involved in the transportation
6 movement itself but are involved in regard to the supply
7 and purchasing and expediting of goods and materials.

8 Q Thank you.

9 Those are all the questions I
10 have.

11 MR. CHAIRMAN: Thank you
12 gentlemen.

13 MR. GOUDGE: Thank you very
14 much Mr. Kent and Mr. Ellis. Perhaps if you could step
15 down. Mr. Chairman and members of the Board, I'd propose
16 with your leave to move along to the next presentation
17 which is a presentation to be made on behalf of White Pass
18 and Yukon Corporation Limited to be made by Mr. Ryan.

19 (MESSRS. KENT, ELLIS ASIDE).

20 MR. GOUDGE: Mr. Ryan, I wonder
21 if you'd be good enough to come forward please.

22

23

24

25

26

1 JAMES M. RYAN: Sworn

2 MR. GOUDGE: Mr. Ryan, I wonder
3 if you would be good enough to introduce yourself and tell
4 the Board your position with your Company, and then read
5 your brief.

6 MR. RYAN: James M. Ryan, Manager,
7 Northern Operations, White Pass.

8 The White Pass and Yukon Corporation
9 Limited is a Canadian Company, which through subsidiaries
10 dates its presence in northern Canada back to the earliest
11 development of the Yukon - the Klondike gold rush days of
12 1897 - 1898. White Pass therefore has been associated with
13 northern economic and social development for more than 78
14 years.

15 From its beginning in 1898 with the
16 commencement of construction of the railroad from Skagway to
17 Whitehorse, and despite much adversity, White Pass has stead-
18 ily expanded its role and services in and to the north. White
19 Pass has been described as an innovator, a northern trans-
20 portation pioneer, and has received credit as the first
21 company in the world to offer its customers door-to-door
22 delivery by means of an integrated ocean-rail-highway con-
23 tainer transport system between Vancouver, B.C. and centers
24 in Yukon.

25 Today White Pass has expanded that
26 role to include common carrier and contract carrier trans-

1 portation within and between the Yukon, Northwest Territories,
2 Alberta, British Columbia and the State of Alaska. It is also
3 involved in pipeline transportation of petroleum products.
4 The company's transportation subsidiaries in 1975 moved
5 approximately one million tons of goods to, from and within
6 the Yukon. Its subsidiaries are also involved in the marketing
7 of heavy automotive and industrial equipment, and petroleum and
8 related products. The company has its head office in Vancouver
9 and employs approximately 900 people, of whom about 450 are
10 located in Yukon, 150 in British Columbia, 90 in Alberta
11 and 180 in the U.S.A., principally Alaska.

12 Our experience over more than 78
13 years in Yukon indicates that northern resource deve-
14 lopment has provided substantial economic benefit to northern
15 Canada through permitting the development and continued
16 provision of such vital services as transportation, health
17 care, education and, of course, employment. Only with the
18 coming of resource-based industries has it been possible to
19 provide improvements in transportation and other services in
20 the north.

21 It is the development of the mining
22 resource industry which has permitted the controlled deve-
23 lopment of the excellent road system which the Yukon now
24 possesses from Whitehorse, Dawson City, Clinton Creek, Elsa,
25 Mayo, Faro and the other Yukon centers to southern Canada and
26 Alaska.

1 It is the development of the mining
2 resource industry which has permitted White Pass to continuously
3 operate and improve its transportation system within, from and
4 to the Yukon. Only with the development of further resources
5 in the north such as the construction of an arctic gas pipeline,
6 will it be possible to continue to provide employment and
7 further economically-viable improvements in the transportation
8 and supply systems.

9 While such a construction program
10 will no doubt bring substantial benefits to all Canadians
11 through the assurance of a larger and longer term energy
12 supply, it will also provide in our opinion, additional benefit
13 to northern Canadians. These benefits include:

- 14 1) general improvement in the transportation
15 infrastructure of the Yukon.
- 16 2) creation of year round long term jobs in
17 connection with operation of transport systems
18 over the improved road network, maintenance
19 of the road network, and operation of the
20 supply and service industry.

21 Speaking more specifically as a
22 northern transportation and supply firm, we believe that
23 development of an arctic gas pipeline is essential to the
24 continued well being of northern firms such as our own. Northern
25 firms in the Yukon and to a lesser extent in the Northwest
26 Territories, have in the past been almost totally reliant

1 on the mining resource industry for their development.
2 Considering the cyclical and uncertain nature of this one
3 industry, it is extremely difficult for any supply and
4 transportation company to make long term development plans,
5 and particularly those plans which involve large capital
6 expenditures. In our opinion, it is economically and so-
7 cially desirable for Yukon to broaden and stabilize its
8 industrial base and that the development of an arctic gas
9 pipeline is an appropriate method of accomplishing this end.

10 We agree that any northern develop-
11 ment must have a positive impact on the environmental and
12 social fabric of the North. In addition we are of the opinion
13 that the North should have a positive impact on the rest of
14 Canada. Only with the proper balance of benefits between
15 North and South can a truly viable economic, environmental
16 and social fabric be woven.

17 We believe that an arctic gas
18 pipeline, constructed with due regard to the right balance of
19 economic, environmental and social factors will be a positive
20 influence in the weaving of such a fabric. To this end we
21 support the early construction of a natural gas pipeline from
22 the Prudhoe Bay and Mackenzie Delta areas to southern
23 Canada.

24 (THE WHITE PASS AND YUKON CORPORATION LIMITED PRESENTATION
25 MARKED AS EXHIBIT NO. 40)

1 MR. CHAIRMAN: Thank you, Mr. Ryan.

2 MR. GOUDGE: Once again, sir, I
3 would propose to go through the list of participants, in
4 search of questions.

5 Mr. Hudson, first, for Foothills Pipe-
6 Lines.

7 CROSS-EXAMINATION BY MR. HUDSON:

8 MR. HUDSON: Mr. Ryan, I wonder if you
9 could tell me something about the equipment and the facilities
10 that are at the disposal of the White Pass Corporation? The
11 railways are how long?

12 MR. RYAN: The railway is approximately
13 110 miles long.

14 From Whitehorse to Skagway.

15 Q Can you give the Board an
16 idea of the amount of rolling stock that is available?

17 A Well, the rolling stock we have
18 now is pretty well used to capacity, but with lead time, it's only
19 the addition of more rolling stock that would enable us to meet
20 any future demands.

21 Q And what about the ocean
22 facilities?

23 A Well, we have two ships going
24 between Vancouver and Skagway. It is possible that we could
25 increase the cycle somewhat to have more arrivals over the
26 same point in time. It's also possible to charter barges.

1 and to move them up the west coast into Skagway. So again,
2 you can increase the volume without necessarily adding
3 overhead.

4 Q You said in your statement that
5 you have available to you, road equipment in other places
6 besides the Yukon. Could you expand on that?

7 A Yes, we have a firm, Loisel
8 Transport, that operates from Alberta to the Alaska border,
9 and within Yukon. We own and control finally Pioneer Alaska
10 Express. This is a firm that we attempted to purchase in
11 1974, we took control of the firm in 1974, pending final
12 approval. So, through Pioneer we have seen the full impact
13 of the Alyeska operation, and gained quite a bit of experience.

14 Q Are you in a position to handle
15 whatever freight may come your way if a pipeline project
16 proceeds to divert equipment to this, and then revert it to
17 its earlier place after the project is constructed?

18 A I don't believe we would use
19 any of our present equipment on this project. It would be
20 a case of, on a marginal basis, acquiring marginal equipment
21 for a marginal use.

22 Q Acquiring to meet the needs?

23 A To meet the needs.

24 Q There has been considerable
25 discussion to this Inquiry concerning a boom-bust kind of
26 syndrome, or reaction. Can you tell Members of the Inquiry

J. Ryan
Cr Ex by Hudson

1 Board anything about the ability of your Company to adjust
2 following the construction phase in order that the service to
3 the long term customers, and the price of it, is maintained
4 within reasonable bounds?

5 A Well, I mentioned the word
6 marginal before, and it's our feeling that this entire project
7 is a marginal operation. That is something new for a short
8 period of time. We have our existing overhead. We do not
9 feel that we would have to add to our existing overhead for it.

10 The equipment, the additional manpower,
11 the supplies, it would be purchased or leased for a specific
12 period of time.

13 At the end of the operation, as exists
14 in Alaska right now, the excess equipment moves out of the
15 Territory or State.

16 Q And does the Company recover
17 the costs -- plan to recover the costs incurred from the
18 project itself without particular reference to the costs to
19 the residents following construction?

20 A Well, we did make money in the
21 Alyeska boom. The boom is over, the money remains.

22 Q Would you indicate to the
23 the Inquiry Board experience of your Company with relation to its
24 performance to handle freight needs arising out of any earlier
25 developments in the Yukon Territory, such as the Anvil
26 construction, the New Imperial Construction, or things of that

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1 nature?

2 A Well, the Anvil construction, I
3 think, is a good example of pre-planning and co-ordination to
4 make everything fit without too much of a problem. It took
5 the Territory, the Federal Government, the Anvil Corporation,
6 and White Pass, and suppliers to know in advance that there
7 was going to be a mine, to build the roads, for us to build
8 our second ship in Montreal, to get additional locomotives,
9 to acquire approximately 300 specialized containers, and to
10 have all the supplies and commodities, and the road, and the
11 mine, to wind up in a state of readiness at the proper point
12 in time. And that was done.

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1 Q You are in a position to
2 indicate the quantity of goods that were required for that
3 construction, the materials?

4 A I would be quite vague on the
5 figures on that. I would recommend the film, "The Brave New
6 North" to anybody that has a serious interest in it.

7 Q Is that available?

8 A Yes, it is.

9 MR. HUDSON: Thank you, sir.

10 MR. GOUDGE: Mr. Joe, Council for
11 Yukon Indians?

12 MR. JOE: No questions.

13 MR. GOUDGE: Mr. Morrison, Whitehorse
14 Chamber of Commerce.

15 MR. MORRISON: Just a couple of
16 questions.

17 CROSS EXAMINATION BY MR. MORRISON:

18 Q Mr. Ryan, your trucks that
19 move on the Anvil/Whitehorse run now, what kind of a frequency
20 do they operate at?

21 A At this precise moment in
22 time, thirty-eight loads a day until the end of this week.

23 Q Thirty-eight trucks up and
24 back to Anvil.

25 A Right.

26 Q On one day?

1 A This is a slow week.

2 Q What would be an average then,
3 if you say this is a slow week?

4 A Around seventy-four because
5 of the stockpile that had been created at Anvil, December of
6 '74, we averaged fifty-nine point two loads a day.

7 Q The tonnages, perhaps you
8 could give us a figure on that. What does an Anvil ore
9 truck carry?

10 A We are in the process of
11 reconverting all of our equipment. The reason that we had to
12 haul so many loads in '74 is that we have equipment that was
13 purchased at the time for Anvil. With changes in weight laws
14 and checking out the highways and configurations, the company
15 had experimented with seven axle equipment and six axle
16 equipment and we have been able to increase the load. Anvil
17 had been designed for a thirty ton payload and it never quite
18 hit it so the new equipment that we brought in, we are averaging
19 better than forty-four tons a trip.

20 We expect that by the end of this year
21 that the Anvil operation will be ^{completely} on this new type of equipment.
22 It means roughly a reduction of seven thousand miles a day in
23 what is required to move the same freight.

24 Q I take it that even from the
25 somewhat preliminary figures that are availble, in regards to
26 construction of a gas pipeline, your company has looked at loads

1 and load factors, what would be a-- say your company had
2 a contract to haul pipe, what would an average load of pipe be,
3 the weight?

4 A I don't know. We haven't
5 reached that point yet. We know that we can handle it but
6 a lot will depend on the weight laws that we are allowed in the
7 Territory, the distance and over what type of a road.

8 MR. MORRISON: That is all, thanks.

9 MR. GOUDGE: Does the Yukon
10 Transportation Association have any questions? Mr. Ellis indicates
11 no.

12 Yukon Association of Municipalities
13 and the City of Whitehorse?

14 Yukon Chamber of Mines?

15 Yukon Association of Social Workers?

16 That brings me to you, Mr. Bayly, the
17 Yukon Conservation Society?

18 MR. BAYLY: I have a couple of
19 questions.

20 CROSS EXAMINATION BY MR. BAYLY:

21 Q Mr. Ryan, just following up
22 some of the questions asked of you by Foothills, you say that
23 your present rolling stock is used to capacity. Would it be
24 fair to say that without adding additional rolling stock, it
25 would mean impairment of service to your customers to supply a
26 project the size of this proposed pipeline?

1 A Well, I don't particularly
2 care for the question. It is like asking if you have stopped
3 beating your wife.

4 Q Well, I don't think--

5 A There is no way that we
6 would leave the present customers out of luck.

7 Q I am not suggesting that you
8 would, sir. I am asking you, would it create a problem with
9 regard to shipments taking longer to get on to the rolling
10 stock?

11 A No, my reply is that for any
12 additional movement such as a gas pipeline, we would have the
13 equipment here in advance.

14 Q I understand that but you do
15 require additional equipment. You couldn't do it with the
16 present equipment alone?

17 A No, we wouldn't want to.

18 Q Fine. You would require a
19 different kind of equipment for some of the things that have
20 to be carried to a pipeline spread, is that correct?

21 A Yes, it requires different
22 types of trailers.

23 Q If pipe did come in on the
24 railway, do you have that kind of rolling stock.

25 A No, we would require more
26 rail rolling stock.

1 Q If pipe came in by truck,
2 would you require a different kind of rolling stock than you
3 presently use?

4 A Yes, it would require differ-
5 ent types of trailers.

6 Q So it is not just additional
7 equipment but in some cases, a special kind of equipment?

8 A That is right.

9 Q Would this be equipment that
10 could be used after the pipeline was constructed for other
11 foreseeable projects or transportation requirements?

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J. Ryan
Cr Ex by Bayly

1 A Well, most of the equipment
2 that you wind up with, at the end of a boom, has got a market
3 value, and what you do is you send it out to where that market
4 value exists.

5 Q Is there a market value for
6 rolling stock for, say, carrying pipe of the gauge that the
7 White Pass Railway is?

8 A I don't quite follow the
9 question.

10 Q Well, you have narrow gauge
11 railway. Is that correct?

12 A Yes.

13 Q And if you were to have
14 constructed rolling stock for the purpose of carrying pipe,
15 would there be a market for that rolling stock outside
16 Yukon Territory that you know of?

17 A The market value for the new
18 rolling stock on the railway would be within White Pass.

19 It would enable us to get rid of our
20 old flat cars, and believe me, some of our flat cars are old.

21 Q So, what it would do, would
22 allow to renew your stock?

23 A It would allow us to rejuvenate
24 our rail system.

25 Q Have you done any estimates of
26 the amounts of capital expenditure that would have to be made

1 by your Company to do the -- your portion of the logistics
2 on this proposed pipeline?

3 A Our research into this has been
4 very small. We have at least three different pipeline
5 proposals. What we do know if El Paso gets it, we're not going
6 to get much of the action. So at this point, it's just not
7 worth spending the dollars from our point of view until
8 somebody is awarded the contract.

9 Q If you were to know that by
10 the first of September, this proposed pipeline was the one
11 to be chosen. How long would it take to do those studies
12 to see what your additional equipment would consist of and
13 what it would cost you?

14 A It would depend on the speed
15 that we could get the information from the firm that was
16 awarded the contract, on what their requirements would be.

17 Q Let's assume that they had
18 given you the estimates of their requirements, how much time
19 after that would the ball be in your court then how much
20 time would you need then?

21 A Well it wouldn't take too long.
22 White Pass is noted for it's speed of doing things.

23 Q Can you tell me, with regard
24 to any other developments, how long it took you to plan for
25 the additional rolling stock requirements?

26 A Well again I go back to the

1 change that we are making in Anvil at this point. The
2 basic research spanned over a two year period, but not because
3 of White Pass, but on our ability to get a new contract out
4 of Anvil.

5 Q So you're saying that it
6 depends largely on the co-operation of both your Company and
7 the company that's doing whatever the development is?

8 A Right. If I could go back to
9 a point that Mr. Kent was making, that a transportation company
10 can only offer service, and it takes a dialogue from the
11 shipper and the consignee and the carrier.

12 Service is to provide the right
13 equipment, at the right time, at the right place.

14 Q Let me suggest there is one
15 other factor, and that is the supplier of the rolling stock
16 to you, because I take it you have to order rail cars, trucks,
17 et cetera. What are the lead times involved in that in your
18 experience?

19 A Well, for highway equipment, it
20 can be six months. For rail, it is probably over a year.

21 Q So, even when you know what
22 you are going to require, there's six months to get highway
23 equipment on stream, and a year to get railway rolling stock?

24 A Yes.

25 Q And if you required any
26 additional ships, what are the lead times there?

1 A Oh, I don't think we would
2 consider a ship.

3 Q So that's just not -- is it
4 something you would consider if you were going to be involved
5 to a great extent?

6 A Not for a pipeline. A pipeline
7 comes and it's gone. There is no way that you could write-
8 off a ship in that period of time.

9 Q Now, one of the --

10 A At last we got one hell of a
11 rate.

12 Q One of the things we heard,
13 Mr. Ryan at this Inquiry, is that this pipeline, if it goes
14 ahead, will be in the vanguard of other developments, including
15 an oil pipeline as a possibility, the paving of the Alaska
16 Highway, the construction of fairly major hydro electric
17 dams and power transmission facilities. Given that scenario
18 would you agree that the possibility exists that you might
19 get into the purchase of a ship?

20 A No, that's pure speculation.

21 Q You don't buy that as a
22 possible scenario?

23 A You know, it costs a lot of
24 money to buy a ship. It's just too much speculation. Mind
25 you, it sounds like a wonderful dream.

26 Q But we'll leave it in the dream

J. Ryan
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1 category for now?

2 A I think so.

3 Q You said on the second page
4 of your presentation that you would anticipate a general
5 improvement in the transportation infrastructure of the Yukon.
6 Does that refer to rolling stock and frequency of service, or
7 does that refer to new roads or improvement of existing roads
8 or a combination of those?

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J.M. Ryan
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A It would be a combination
of all.

Q So you would see a
general upgrading of everything including the roads?

A Yes.

Q I think those are all
the questions -- oh, one more thing -- you've referred
to an Arctic Gas Pipeline and you've put Arctic Gas in
lower case. I presume that is to refer to whatever
proposal is chosen as opposed to the Canadian Arctic Gas
proposal?

A We like all shippers.

Q I beg your pardon?

A We like all shippers.

Q Yes, so this doesn't
refer to any specific company when you say Arctic Gas
Pipeline?

A No.

Q Thank you sir.

MR. CHAIRMAN: Mr. Horton
for the Government of Yukon?

MR. HORTON: No questions.

MR. CHAIRMAN: Mr. Taves for
the other shipper, Canadian Arctic Gas?

MR. TAVES: No questions.

1 MR. GOUDGE: I should have
2 asked this of the other Panel, if there are any members
3 of the public that want to ask a question.

4 I take it not sir. I just have
5 one question.

6 CROSS-EXAMINATION BY MR. GOUDGE:

7 Q Mr. Ryan, I take it you
8 don't contemplate any need if a pipeline goes ahead to
9 expand your rail line capacity -- add the laying of new
10 rail?

11 MR. RYAN: No, we're in the
12 process of doing that right now.

13 Q And you wouldn't con-
14 template any need for that specifically for this project?

15 A No.

16 Q I see. Thank you.
17 Those are all the questions I have.

18 MR. CHAIRMAN: Thank you very
19 much for your presentation Mr. Ryan.

20 MR. RYAN: Thank you.

21 MR. CHAIRMAN: The Board has
22 noted that your flat cars are part of the living history
23 of the Yukon.

(WITNESS ASIDE)

24 MR. GOUDGE: Those are the
25 ones he wants to replace I think.

26 Next sir, we would propose to

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1 bring before the Board, the presentation of the Whitehorse
2 Chamber of Commerce. That will be by Mr. Morrison and
3 Mr. Ryan.

4 MR. MORRISON: Mr. Campbell
5 will --

6 MR. GOUDGE: Oh, I'm sorry.
7 Let me simply turn it over to Morrison who can introduce
8 the Panel and present the evidence.

9 MR. MORRISON: Thank you.

10 Mr. Campbell, perhaps you could
11 introduce yourself and explain briefly to the Board,
12 your relationship with the Chamber of Commerce and perhaps
13 a little of the history of yourself in the Yukon.

14 J.M. RYAN Resumed
R. CAMPBELL, Sworn.

15 MR. CAMPBELL: Mr. Chairman,
16 I've been here since 1943 and I've been in construction
17 -- had our own construction firm and our own building
18 supply firm over a period of twenty-five years and I'm
19 a charter member of the Whitehorse Chamber of Commerce.

20 It was what we called a way back
21 in the old days, the Young Mens' Council which did every-
22 thing in those days. I've been a Past President of the
23 Chamber and actively involved with the Chamber over the
24 years. I've been Chairman for the past four -- or we've
25 had five Northern Resources conferences here and I've
26 been Chairman for the first four so I've been in the Yukon

1 -- or I've been in the North since 1938 and here in
2 Whitehorse since 1943 and I've seen a good many changes
3 over those years, I can assure you.

4 MR. MORRISON: Thank you Mr.
5 Campbell.

6 MR. CHAIRMAN: Let me just
7 make sure, Mr. Campbell, that you can be heard properly
8 at the rear of the room. Perhaps you could move the
9 microphone a little more closer.

10 MR. MORRISON: Mr. Ryan,
11 perhaps you could outline for the Board, your relation-
12 ship in the Chamber of Commerce.

13 MR. RYAN: I'm a Director
14 of the Chamber of Commerce and I've been on the Pipeline
15 Committee of the Chamber of Commerce for a little better
16 than a year.

17 MR. MORRISON: Thank you
18 gentlemen. Perhaps Mr. Campbell, you could start and
19 read your evidence and then Mr. Ryan will read his, Mr.
20 Chairman, and then we can go to questions.

21 MR. CAMPBELL: Mr. Chairman,
22 the Whitehorse Chamber of Commerce has studied the Foot-
23 hills Pipeline Limited's proposal to construct a natural
24 gas pipeline along the Alaska Highway.

25 It is our contention that this
26 route could provide Yukon with certain benefits and at

Campbell, Ryan
In Chief

1 the same time, minimize the possible harmful social,
2 environmental, cultural and economic effects associated
3 with a construction project of this scale.

4 Yukon is only a land bridge
5 between the gas supplier and the markets. The right to
6 cross our territory must come from the Government of
7 Canada and our concerns and well being should be inherent
8 in any decision which is rendered.

9 It is our intention to express
10 to you, the Alaska Highway Pipeline Inquiry, stipulations
11 which we feel must be incorporated in your decision and
12 recommendations to the Government of Canada.

13 The Chamber has in the past,
14 taken a position in support of the Alaska Highway route,
15 but has also stated that an orderly and controlled project
16 is needed if Yukon is to benefit from pipeline related
17 development. We have over recent months, developed
18 several conditions which must form an integral part of
19 any license awarded by the National Energy Board.

20 The question of labour force is
21 one of such prime importance, that in our opinion, it
22 alone could change the entire complexion of this project.
23 It is intended that wages, training, hiring rules, hiring
24 centres, and union contracts all be considered under the
25 heading 'labour force'.

26 The Whitehorse Chamber of

Campbell, Ryan
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1 Commerce understands that in all probability, the success-
2 ful applicant will have to deal with one or more of
3 Canada's unions. It is not our wish to interfere, but we
4 feel it is imperative that all union agreements pertaining
5 to the Yukon portion of the project must only be signed
6 with Canadian union locals.

7 The Chamber feels it is necessary
8 that these contracts contain provisions for local hire
9 and local entry into the appropriate unions. The
10 Chamber has for purposes of this project, agreed to a
11 definition of local resident. It is our recommendation
12 that the terms of local or union Yukon residents be
13 defined as any person resident in the territory on or
14 before January 1, 1977.

1 The Chamber feels that this defini-
2 tion be applied whenever it becomes necessary. The Chamber
3 also wishes to make it clear that we will not accept any other
4 alternate definition that contains a residency term such as
5 a one year requirement used in Alaska.

6 In preparing "local resident" defi-
7 nition, we have examined the area and feel that there are few
8 here now resident in the Yukon for the prime purpose of gaining
9 employment on the proposed pipeline. It is obvious that the
10 pipeline project will attract many more job seekers than there
11 are jobs. In order to minimize this situation, and the problems
12 associated with large groups of under-financed, uncontrolled,
13 migrant job seekers, the Chamber recommends that hiring centers
14 for the project be established at Whitehorse, Vancouver and
15 Edmonton.

16 The purpose of these centers will
17 be to control the influx of job seekers. The ground rules will
18 simply be that only those that meet the terms of the local
19 residents definition can be hired in Whitehorse, and all others
20 be hired in Vancouver or Edmonton.

21 The campsites will require strategic
22 locations. The facilities must be built to government standards and must
23 meet the appropriate land use regulations. The Chamber suggests that the
24 camps be established in locations which will allow nearby communities the
25 opportunity to conduct business and obtain employment.

26 Yukon residents must have equal opportunity

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1 to obtain pipeline jobs on a continuing basis, and we re-
2 comment the implementation of a complete and comprehensive
3 on-the-job training program.

4 The length and nature of the project
5 allows for the acquisition of a variety of skills. If the
6 training opportunities are provided it is quite possible that
7 a number of permanent staff required to operate and maintain
8 the compressor stations, might begin their careers as pipeline
9 construction employees.

10 It is this type of benefit we
11 are looking for in relation to training programs, and it is
12 in this manner that the pipeline can bring long-term benefits
13 to Yukoners. The provision of jobs locally will combat our
14 high rate of unemployment. The institution of training programs
15 will provide the overall upgrading of unskilled chronically
16 unemployed. The other positive aspect of training programs
17 is the diversification of qualifications among skilled and
18 semi-skilled members of the local labour force, thereby making
19 these workers more versatile and valuable to the local econo-
20 my.

21 The Chamber has stated previously
22 it does not wish to interfere with relationships between
23 contractors and the unions. However, the Chamber does not
24 wish to see excessive wages paid in the Yukon. The terms of
25 a Yukon agreement will have an effect on the entire economy
26 of the Yukon. It is for this reason that we have recommended

1 Yukon contracts for the Yukon portion of the pipeline he
2 negotiated with Canadian unions' locals.

3 The Territory is susceptible to
4 inflationary wage trends, and a severe upwardship would drain
5 the work force from established enterprises. To maintain a
6 stable economy we recommend that the current immigration re-
7 gulations pertaining to the employment of aliens be strictly
8 enforced.

9 In addition, except for movement
10 between Alaska and the southern 48 States, all transportation
11 in the Yukon must be handled by Canadian drivers. We know that
12 the applicant, his prime contractors and his sub-contractors
13 will require many goods and services that are available from
14 Yukon business firms. We also know that they have known
15 and favourite suppliers of goods and services back
16 home.

17 Keeping in mind that the Yukon is
18 only serving as a land bridge between the supplier and the
19 user of American gas, the existing Yukon business community
20 wants a considerable portion of this business.

21 There is no doubt that a critical
22 path will be established by the applicant covering its own
23 need and those of his prime contractors and sub-contractors.
24 Into this critical path should be worked the entire project
25 requirements for items ranging from D-9 cats to paper clips,
26 from groceries to truck parts.

1 The Yukon business community
2 expects to work with the builders of the pipeline. Given the
3 lead time necessary to obtain inventories or special bulk
4 purchases, we can come through and deliver the goods. The
5 provision of industrial and consumer gas is of paramount benefit
6 all communities and is a major reason why the pipeline has
7 something to offer Yukon.

8 The Chamber recommends that the
9 National Energy Board clearly orders that gas be delivered
10 to the boundaries of each community and route. The National
11 Energy Board must be satisfied with the applicant's ability
12 to provide locally both consumer and industrial gas at the
13 Edmonton well-head price.

14 The Game Ordinance establishes a
15 six-month residency requirement before a person can obtain
16 a resident general hunting license. We strongly recommend
17 that the Ordinance be amended to stipulate a twelve conse-
18 cutive month residency before a person can obtain such a
19 license. It would be appropriate if this section was reviewed
20 after the pipeline construction is completed.

1 The control of crime will be a major
2 task. The R.C.M.P. will most certainly be required to increase
3 the size of 'M' Division, in order to handle the work load.
4 We recommend that the R.C.M.P. establish a detachment in each
5 construction camp.

6 There are a number government agencies
7 concerned with environmental control and has many aspects.
8 The question is one of utmost importance to all Yukoners.

9 The Chamber of Commerce does not
10 profess to be qualified to discuss environmental control, but
11 we are concerned. We do not want unnecessary and careless
12 damage to Yukon's environment, and a pipeline right-of-way
13 license must contain stringent and detailed regulations with
14 respect to all aspects in environmental control.

15 It is imperative that these regulations
16 are strictly enforced. The development of these controls is
17 for the experts and we will assist wherever possible.

18 The susceptibility of Yukon's economy
19 was mentioned previously in relation to wages. The Chamber
20 of Commerce proposes that the Government of Yukon should
21 consider the introduction of rent control. Legislation in
22 the same context.

23 In terms of the overall effect of the
24 cost of housing, it would be most likely to experience rapid
25 increases, if not controlled. We do not want to see local
26 residents suffer by any hardship.

Ryan, Campbell
In Chief

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1 We have outlined a number of
2 recommendations and suggestions throughout this brief, but it
3 is evident that the pipeline will bring Yukon revenues in
4 terms of taxation and certain other benefits as well.

5 The ironic part of the entire situation
6 is a possibility that the cost of providing increased govern-
7 ment services may well exceed expected revenues.

8 The Chamber of Commerce has recommended
9 R.C.M.P. detachments in the camps, and we are all agreed that
10 welfare costs will rise sharply. But we have thought about
11 the increased cost of education, highway maintenance,
12 municipal services, justice, and corrections, health,
13 environmental control, postal services, game enforcement and
14 workmen's compensation. The increase in these and other
15 services will be attributable to the pipeline, but the tax-
16 payers of Yukon may well have to pay the bills. It is
17 therefore recommended that the Yukon Territorial Government,
18 and the Government of Canada initiate immediate action to
19 solve this potential problem.

20 Planning is required for a government
21 to develop a means to raise sufficient revenue to cover all
22 costs of any increase in services.

23 The Chamber also recommends that the
24 Government of Yukon Territory, and the Government of Canada
25 develop a method of assessing all increased costs in advance,
26 in order that the people of Yukon will not be asked to supply

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1 impact funding. The Chamber places substantial importance on
2 this matter, as it is imperative that government come up with
3 a system which will ensure that the pipeline company is
4 responsible for the assumption of cost increases attributable
5 to the pipeline.

6 The Whitehorse Chamber of Commerce
7 and Yukoners in general would like to see Land Claims settled
8 in an equitable manner for all parties involved. It is
9 our opinion that the pipeline development can proceed prior
10 to a claims settlement if necessary. The Indian people of
11 the Territory must be consulted in relation to pipeline
12 development on a continuing basis, and it is imperative that
13 the concerns of Yukon Indians be incorporated in the
14 recommendations of the National Energy Board.

15 In summation, and in closing, we want
16 to repeat to you a portion of the maiden speech of Senator
17 Paul Lucier in the Senate on October 13th, 1976. This is
18 what he had to say:

19 "We have always welcomed development
20 in the past and will continue to do so. However,
21 future development must fit into our social,
22 political and economic environments. It must
23 also provide some real benefit to Yukoners. We
24 recognize that the heavily populated area of our
25 continent requires some of the vast energy
26 supplies of the North. Pipelines have been a

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1 part of Yukon history, and a familiar component
2 in our daily lives. We have experienced
3 satisfactory developments in the past, and
4 have services which could be expanded to
5 accommodate new development in the future.

6 However, if pipelines are to
7 be built across our Territory, appropriate
8 safeguards must be maintained and we must reap
9 a fair share of the benefits. The Yukon is
10 an economic and political reality and must be
11 treated as such. I have stated publicly before
12 and wish to reiterate now, that unless there
13 is a direct and substantial benefit to Yukon
14 people, we do not want to see a pipeline built
15 across the Yukon, and I suggest to you that
16 unless there is a direct and lasting benefit
17 to the people of Canada, the Government of Canada
18 should not entertain allowing its land services
19 and resources to be used in this manner."

20 We are for, and this is from the Chamber
21 we are for development, we have encouraged it, but insist that
22 it must be orderly, and most of all provide benefits to the
23 Yukon.

24 I would like to say personally, let's
25 get on with the job.

26 MR. CHAIRMAN: Thank you very much

1 Mr. Campbell.

2 MR. RYAN: The following is a presenta-
3 tion that was made by the Chamber of Commerce to the Yukon
4 Pipeline Panel, held Saturday, May 14th.

5 Quid pro quo - something for something.

6 Mr. Berger states:

7 "The risk is in Canada, the urgency
8 is in the United States."

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1 Yukoners have historically used
2 crises to develop - Pipelines, railroads, telephone lines,
3 electric transmission lines, all of these have been on
4 the Yukon scene for years and most of these past develop-
5 ments have been put in place as a reaction to an urgency.
6 The gold rush, World War II, it is obvious what they gave.
7 Forest fires gave us the microwave system, the cold war,
8 the dew line.

9 In fact, about the only systematic
10 approach to development was the Roads to Resources Program,
11 put in place to encourage mineral exploration and develop-
12 ment - and it did.

13 Surely, it is time to encourage
14 a systematic approach to development that will give Yukon
15 use of its resources, yet minimize future environmental
16 disruption.

17 .
18 The pipeline is the key factor
19 -- if I may paraphrase Mr. Berger,

19 "The urgency is in the United States -- the
20 opportunity is in Yukon."

21 First, the obvious reasons for
22 a Yukon pipeline as opposed to the all Alaska El Paso
23 proposal.

24 Prime Minister Trudeau has said
25 that the movement of Alaska liquified natural gas by
26 tanker along our Western Coast is not in our best interests.

1 To appreciate his reasoning, consider the magnitude of
2 the operation.

3 There are 114.3 trillion cubic
4 feet of proven and estimated reserves of natural gas in
5 the general North Slope area. When liquified to reduce
6 its volume by 620 times and using tankers of 165,000
7 cubic meter capacity (which means a ship about 1,000 feet
8 long, 150 feet wide, 100 feet deep and drawing 40 feet of
9 water), 22 tankers making 28 trips a year each for 50
10 years, are required. All of this fuel can move safely
11 overland through Yukon, through a transportation corridor
12 that has been in existence for over 30 years, a corridor
13 which already contains a pipeline for a good part of its
14 length.

15 The pipeline will provide con-
16 struction employment for Yukoners and create more oppor-
17 tunities for local businessmen. The Alaska Highway Pipe-
18 line will provide post-construction employment for about
19 190 full time permanent jobs in the Yukon, half of which
20 can be filled by Yukoners who did not have previous pipe-
21 line experience.

22 It will provide a natural gas
23 supply to a majority of Yukoners, the 16,000 people who
24 live along the Alaska Highway. The pipeline will also
25 bring added revenue to the Government, estimated to be
26 about 12.3 million dollars per year, once the line is

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1 in operation.

2 The diversity to the Yukon
3 economy will be welcome. The added flow of American
4 dollars will help offset our growing balance of payments
5 deficit to the United States.

6 Now, back to the urgency of the
7 United States to show the major opportunity in Yukon.
8 Their gas shortage is real. An American national policy
9 appears to be emerging to discourage or prohibit the use
10 of natural gas as an electric utility fuel or industrial
11 boiler fuel. The reasoning is that utilities can easily
12 use other fuels, while many gas customers cannot.

13 The Alaska Business Newsletter
14 of May 6th confirms this as follows:

15 An Anchorage engineering firm, Rutherford and
16 Associates, has come up with a proposal that
17 could result in appreciably more North Slope
18 natural gas reaching the marketplace and at
19 the same time, provide an electrical power
20 infrastructure throughout much of the State
21 or Northwestern Canada.

22 The proposal is to electrify the gas
23 pipeline. Traditionally, pipelines are
24 powered by the resource being transported
25 through the line. For example, much of the
26 Alyeska Pipeline will be powered by the oil

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1 running through it. In the case of the
2 proposed natural gas pipeline, each of the
3 three competing routes would use about 10
4 per cent of the gas in the line itself.
5 If most of that 10 per cent were displaced
6 by electric power, Bob Rutherford says, the
7 resulting savings in gas would be enough to
8 heat 750,000 average homes in the lower 48
9 throughout the life of the gas pipeline."

10 Now, if I could just add, if you
11 took about three people per home, you would just about
12 equal the total population of the four Maritime Provinces
13 that could be saved by electrifying the gas pipeline for
14 50 fifty years.

15 On the other side of the coin,
16 the electrification itself would require development of
17 massive power sources. This development would go not
18 only toward powering the line, but would also serve local
19 communities. If the El Paso Trans Alaska Gas route were
20 chosen, the State would inherit the inplace sources and
21 transmission system.

22 If a Canadian route is picked,
23 Canada would receive most of the power benefits from
24 electrification.

25 In either case, Rutherford
26 calculates that "the savings resulting from additional gas

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1 getting to markets, could largely pay for development of
2 the power sources. Because of the critical national
3 shortage of natural gas, it is also possible that the U.S.
4 Federal Government might order the line to be electrified."

5 What he is really saying is that
6 there is a need for wise and prudent use of energy and
7 that the North's renewable energy resources may be
8 traded to prolong the non-renewable resources.

9 Yukon has the hydroelectric
10 potential, the opportunity, to capitalize on such an
11 energy swap. Again quoting Rutherford but with Yukon
12 references rather than Alaska:

13 "a) Hydroelectric energy is a renewable
14 resource whose "fuel" (falling water) does
15 not escalate in price or deplete the resource.
16 Its recycling energy comes from the sun."

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1 (b) Hydro-electric projects have long lives and
2 their major structures are relatively maintenance
3 free.

4 (c) The Hydro-electric energy process is non-
5 polluting. The environmental impacts of the
6 project are mixed, but often provide moderating
7 influences on the fluctuations of nature which
8 may be helpful.

9 (d) The use of hydro-electric energy reduces the
10 pressure on other energy sources and extends
11 the life of of the non-renewable fuels whose
12 future value may lie in other uses more important
13 than energy.

14 (e) In Yukon, where hydro-electric power is
15 available in abundance, its use releases other
16 more transportable energy resources (oil, gas,
17 and coal) for use in areas where there is no
18 such choice.

19 (f) If hydro-electric energy can feasibly
20 displace fossil fuels for use in other market
21 areas of the U.S., Yukon will reap a bonus of
22 renewable energy after Alaska's non-renewable
23 is gone.

24 Should Yukon electrify a pipeline
25 passing through our Territory, and possibly some portions in
26 Alaska and British Columbia, we will have connected into

1 other grid systems maximizing our market potential. The
2 result should not merely be a stabilization of energy costs in
3 Yukon, there should be a profit potential perhaps leading to
4 a Yukon version of the Alberta Heritage Fund.

5 Bear in mind the concept of trading
6 energy. The price for natural gas from Alaska is bound to
7 be affected by the "outside" market price when the natural
8 gas transport system becomes operational. The Outside price
9 is likely to be closely related to world prices for crude
10 oil. British Columbia in February this year increased the
11 price from \$1.94 to \$2.50 per thousand cubic feet to bring
12 the two costs closer in line. It follows that the charges for
13 Yukon energy should be based not so much on our cost, as on
14 the value of natural gas saved at any point in time.

15 Mr. Retherford was well aware of the
16 flow of benefits. He stated:

17 "The El Paso system's energy use is 100 per
18 cent in the U.S. with 82 per cent of it being
19 in Alaska. For the other two systems, the
20 energy use is largely in Canada. -- 58 per cent
21 of the Alaskan Arctic scheme and an estimated
22 47 per cent for the Alcan scheme. These figures
23 have special significance if electrification is
24 accomplished because the electric systems would
25 be paid for by the displaced fuel gas. For
26 systems using Canadian facilities, the Alaska gas

1 would be paying for a Canadian electric system."

2 That's the good news. The bad news is
3 that many Alaskans are against any Canadian involvement. Last
4 week-end in Fairbanks the papers had full page advertisements
5 against any overland route. Senator Edward Stevens of Alaska
6 a long time opponent of Canadian involvement in reaction to
7 the Berger Report is quoted as saying:

8 "It is time for the United States to consider
9 the stark possibility that Canada will reject
10 all proposals to move Alaskan gas across Canada
11 by pipeline."

12 He then went on to describe the
13 Berger report as:

14 "A clear signal that if we are to utilize
15 Alaskan gas, it must be done by the all American
16 method."

17 " Again "the urgency is in the United
18 States" - the opportunity is in Yukon - but our bargaining
19 position is lost forever if Canada delays a decision.

20 If all Yukoners work together on a
21 systematic approach to this key development, perhaps a
22 Yukon Heritage Fund is not unreasonable.

23 Quid pro quo - something for something.

24 MR. CHAIRMAN: Thank you Mr. Ryan,
25 I'm going to suggest that before we move to the questioning,
26 we take our mid morning break at this point.

1 PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT.

2 MR. CHAIRMAN: Before going on to
3 questioning by Counsel of the Panel, I would like to come back
4 to another matter.

5 Earlier this week, on Tuesday
6 afternoon to be precise, Mr. Bayly made reference to certain
7 news reports to the effect that Parliament would debate the
8 Northern Pipeline^{question} in July, and therefore, prior to the time
9 when the Report of this Inquiry would be available. He
10 indicated the concern of his client of such a possibility,
11 and noted that it might be of concern to other participants
12 in the Inquiry.

13 The concern was, of course, per-
14 fectly justified. As I indicated at the time, that concern
15 was shared by the members of this Board and had already been
16 communicationed to Ottawa.

17 My telegram to the Minister of
18 Indian and Northern Affairs was replied to in the Minister's
19 absence by telex message from the Deputy Minister and this
20 exchange which was read into the record Wednesday morning,
21 May 18th appears at page 967 to 973 of the transcript of
22 proceedings.

23 The seriousness of the matter
24 warranted, and I had stated at the time that the Board
25 expected to receive clarification from the ministerial level.
26 In keeping with my undertaking to inform participants in this

1 when that clarification was received, I would now like to
2 have Mr. Goudge read into the record, a statement received
3 this morning from the Honourable Mr. MacEachen. As you know,
4 Mr. MacEachen is the Government's House Leader and is also
5 the Chairman of the Cabinet Committee established to deal
6 with the northern pipeline question. Mr. Goudge?

7 MR. GOUDGE: Yes sir. This letter
8 has been received on the telex from Mr. MacEachen. The original
9 is anticipated to be received on the DEX machine today
10 and will be filed and distributed at that time. The text of
11 the letter reads as follows, dated:

12 " May 20, 1977

13 Dear Dean Iysyk,

14 It may be helpful to you if I set out the Go-
15 vernment's decision timetable on northern gas
16 pipelines. The motion put before the House of
17 Commons on May 11 proposes that relevant reports
18 be considered before deciding on a pipeline and
19 its route. There will be a House of Commons debate
20 after these reports have been submitted.

21 Mr. Justice Berger has submitted the first
22 volume of his report and the National Energy Board
23 report is expected early in July. The Government
24 will not take a decision on construction of a
25 Northern pipeline, however, until after August
26 1 when the report of the Alaska Highway Pipeline

1 Enquiry and the Environmental Assessment Panel are
2 also scheduled to be available. This will allow
3 both Parliament and the Government to take into
4 full account your recommendations in advance of
5 any decision to construct a northern pipeline.

6 Yours sincerely,

7 Allan J. MacEachen."

8 (LETTER TO DEAN LYSYK FROM ALLAN J. MACEachEN - MARKED AS
9 EXHIBIT NO. 42)

10 MR. CHAIRMAN: Thank you, Mr.
11 Goudge. You may proceed now with the questions to be direc-
12 ted to the Panel.

13 MR. GOUDGE: Yes sir. As first
14 among the participants, would be Mr. Hudson for Foothills
15 Pipeline.

16 CROSS EXAMINATION BY MR. HUDSON.

17 MR. HUDSON: Just a few questions
18 Mr. Chairman. Mr. Campbell, I wonder if you could give me
19 some idea as to the total membership of the Whitehorse Chamber
20 of Commerce.

21 MR. CAMPBELL: I believe at this
22 moment, 180 members in the Chamber.

23 These are business
24 people representing firms in the Whitehorse area.

25 This is made up entirely
26 of large and small business people in the Whitehorse area.

1 Q And as to the activity
2 of the Chamber, how often does the total Chamber meet?

3 A Well, we have a meeting
4 once a month, the first Tuesday of the month, plus Directors'
5 meetings.

6 Q Can you give some indi-
7 cation of the numbers attending those meetings, on the
8 average?

9 A I believe that at the
10 last meeting there was somewhere in the neighbourhood of 90
11 Chamber members there, and I would say that this represents
12 is probably over around the 50 per cent attendance or better.

13 Q How long has your Committee
14 been meeting?

15 A We've been meeting for
16 over a year, Mr. Hudson.

17 Q Those are all the questions
18 I have, Mr. Chairman.

19 MR. JOE: I have no questions.

20 MR. GORDON: Next, Mr. Ellis,
21 Yukon Transportation Association, indicates no questions.
22 Yukon Association of Municipalities, and the City of Whitehorse.
23 I take it, no. Coming to you Mr. Kent, I take it no questions?
24 Yukon Chamber of Mines, no questions? Yukon Transportation
25 Association -- sorry.

26 CROSS EXAMINATION BY MR. KENT.

1 MR. KENT: Yes Mr. Campbell --

2 MR. CHAIRMAN: Mr. Kent, can I
3 just ask you to speak into the microphone to ensure that
4 your remarks find their way to the transcripts?

5 MR. KENT: Mr. Campbell, I've
6 been given to understand that the Yukon unemployment rate,
7 depending on the time of the year, runs somewhere between 15
8 and 20 per cent. Would you agree to that?

9 MR. CAMPBELL: Yes. That's the
10 figures that have been posted.

11 Q Yes. That 15 - 20 per
12 cent I'm told equates to something like a thousand to fifteen
13 hundred people?

14 A Well, according to our
15 figures on the Yukon, that would be correct.

16 Q Would you agree that with
17 proper training, and one thing and another, that these un-
18 employed could partake and be a contributing factor to the
19 pipeline work labour force?

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1 A I would say a percentage of
2 them, yes, Mr. Kent.

3 Q Thank you very much.

4 MR. GOUDGE: Thank you, Mr. Kent.

5 The Yukon Association of Social
6 Workers isn't here. Mr. Templeton is not here for the Alaska
7 Highway Pipeline Panel. That brings me to Mr. Bayly for
8 the Yukon Conservation Society.

9 CROSS-EXAMINATION BY MR. BAYLY:

10 MR. BAYLY: I have a few questions,
11 Mr. Chairman.

12 Mr. Campbell, you stated in your
13 direct evidence that the Chamber of Commerce has had an
14 opportunity to study the Foothills proposal. That's correct
15 is it?

16 MR. CAMPBELL: Yes, that is so.

17 Q And in studying it, and in
18 particular studying their socio-economic statements and
19 evidence, can you tell me whether the Chamber of Commerce
20 agrees with the following proposition. First that the
21 impact can be minimized in a way that Foothills foresees?

22 A Yes, we agreed to that.

23 Q Second, that the Alaska
24 experience is only marginally applicable to the Yukon situation?

25 A I would say that is correct.

26 Q Now, let me ask you about your

1 definition of northern resident, that is of 'Yukoner' for the
2 purpose of the construction of this proposed pipeline. You
3 have set a date of January 1st, 1977 as being that which
4 should be used to determine the definition of Yukoner for
5 the purpose of employment on this pipeline. Is that correct?

6 A Correct.

7 Q And do you refer there to
8 employment by the Foothills Company?

9 A Yes, this is what we are
10 referring to.

11 Q Are you referring to employment
12 by the contractors that Foothills deals with to carry out
13 the logistics and construction of the pipeline?

14 A Yes, that would apply.

15 Q Does that include the suppliers
16 and their employees?

17 A Well you're into a little
18 different category there, aren't you, because suppliers if
19 they are using, and we have recommended very strongly here
20 that the Yukon suppliers be given every opportunity to supply
21 goods to this project, are already in existence here.

22 Q Well, let's suppose that the
23 suppliers required more employees. Should they only be
24 allowed to hire people who have been in the Yukon prior to
25 January 1st, 1977? As shipping clerks, or truckers, or whatever
26 they may be?

1 A No, I don't think that we are
2 referring to that term in that manner.

3 Q So you would just restrict it
4 to the pipeline company itself and the contractors it hires
5 directly on the project?

6 A I believe this was our intent.

7 Q Following up on that, you
8 said that transportation in the Yukon Territory must be
9 handled by Canadian drivers. How do you define a Canadian
10 driver?

11 A We are speaking here of the
12 actual truck drivers within the Yukon Territory.

13 Q Do you mean drivers who have
14 Canadian citizenship, or drivers with Canadian driver's
15 licenses?

16 A No drivers, Canadian citizenship.

17 Q So, you would want to stop at
18 the border an American with a British Columbia driver's
19 license?

20 A That would be right.

21 Q And how would you propose that
22 that be done? Would people have to carry around papers to
23 prove their citizenship?

24 A Well, I believe they already
25 have that. If you have -- American drivers coming through
26 now, going on through to Alaska, I mean they are all checked

1 at the border, both ways.

2 Q And they are not checked at
3 the British Columbia border, though, are they?

4 A They are checked at the Yukon
5 border.

6 Q The Yukon/Alaska border,
7 correct?

8 A Well the Yukon border coming
9 in and the Yukon border coming back out from Alaska.

10 Q All right. Are they asked
11 to produce their driver's licenses, or are they asked to
12 produce a passport?

13 A I can't answer that part of
14 it, sir.

15 Q All right. You'd want them
16 to produce a passport though, because they could get a
17 driver's license from one of the Provinces, even if they
18 were a citizen of another country?

19 A This could be, yes.

20 Q You refer in that same
21 paragraph to tightening up the immigration regulations, so
22 that the regulations pertaining to the employment of
23 aliens be strictly enforced. Can you tell me what you mean
24 by aliens?

25 A Just where are we here, sir?

26 Q Page 4, paragraph 2, four lines

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1 from the bottom of the paragraph. Four lines up from the
2 bottom of the paragraph.

3 The sentence reads: "To maintain a
4 stable economy, we recommend that the current immigration
5 regulations pertaining to the employment of aliens be strictly
6 enforced."

7 A That is correct.

8 Q Well, what I asked you was
9 how are you defining aliens for the purpose of enforcement of
10 these regulations?

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1 A We are -- well, here we are
2 recommending the Canadian citizens, correct, on the
3 transportation end of it.

4 Q You're talking about
5 Canadian citizens --

6 A That is right.

7 Q -- are you talking
8 about people from other parts of the world with work
9 permits?

10 A Well, they would have
11 to obtain those work permits from the Canadian Government
12 wouldn't they, to come in.

13 Q Yes.

14 A This is done in most
15 cases.

16 Q You're satisfied that
17 those people who have working visas can continue to
18 come into the Yukon for the purpose of employment?

19 MR. MORRISON: Mr. Chairman,
20 if I can interrupt here for a moment, Mr. Bayly is leading
21 to presumptions that I don't really think that he should
22 fairly do so. Alien in the sense of the word in the
23 brief means the alien in terms of Canada's immigration
24 regulations and we include anyone from any country, work
25 permit or no work permit, and the current Canadian immi-
26 gration regulations we refer to are that in cases applicable

1 here, persons of foreign residency or foreign citizenship
2 may only obtain work when there are not Canadians here to
3 fill the jobs and that is the sense that we are talking
4 about in our brief, Mr. Bayly.

5 MR. CHAIRMAN: Have you any
6 follow up questions Mr. Bayly?-- we have a procedural
7 problem here.

8 MR. BAYLY: I see we have a
9 piece of evidence given by Counsel. I'm not too concerned
10 with that sir, if the Board isn't.

11 I understand then that you adopt
12 the last statement made by your Counsel.

13 A Correct.

14 Q Now, you've made a
15 statement with regard to the Charter not wishing to see
16 excessive wages paid in the Yukon and we've all seen the
17 Anti-Inflation Board in operation. Do you recommend that
18 or some other system for limiting wages and wage increases
19 in the Yukon Territory during the construction of the
20 proposed pipeline?

21 A Well, right at the
22 moment, we have the Anti-Inflation Board so that would
23 act as -- to hold the wage structure down.

24 Q One of the things we've
25 been told by the pipeline companies, is that people make
26 high wages in pipeline construction not because the wages

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1 are so much higher per hour for the work done, but that
2 a tremendous number of hours are worked per week and
3 month and that their pay scales in that sense are much
4 higher --- if they work seven days a week, they work ten
5 hours or twelve hours a day. Would you agree that the
6 Anti-Inflation Board can't control that sort of thing?

7 A Well, I think this
8 applies to any construction job, whether it be pipeline
9 or any other mining company or large construction job,
10 where the construction workers are working we'll say, ten
11 hours a day, seven days a week and so naturally, they're
12 going to have -- but their wage rate is based on the
13 same scale as other people are working under it.

14 Q So what you're saying
15 is that you would like to see the hourly wage controlled
16 but that you feel there is no way of controlling the
17 number of hours worked, providing there is a Union/Manage-
18 ment agreement.

19 A That is right.

20 Q Now, would you agree
21 with me that you may still find that as you've said here,
22 a severe upward shift would drain the work force from
23 established enterprises, people may still gravitate to
24 the longer hours -- longer number of days per week jobs
25 even though the wage scale is relatively the same on an
26 hourly basis to the wages they may be receiving in the

Cumrball, Evan
- Foster, David

13 You're at present?

14 A You'll have a percentage
15 of people that will do that. They will go for the short
16 term higher wage job rather than stay with the -- well --
17 people that they'll -- could be there with for twenty-
18 five years we'll say.

19 Q And does the Chamber of
20 Commerce feel that this will have an inflationary effect
21 upon the local economy here?

22 A I don't know about --
23 we've had this in the past where we've had -- well, let's
24 go back to Anvil -- you had the same thing where they had
25 construction workers working their eight or ten hours a
26 day plus seven days a week or whatever and I don't think
27 it made that big a difference here in the town.

28 Q And how many workers
29 were working on that project?

30 A Well, I can't answer
31 that but the overall project I think, was about 250
32 Million dollars and if you go back to the time that
33 Anvil was built and relate it to today's inflationary cost
34 you're probably up into 700 Million dollars.

35 Q All right, so it can
36 compare in size but it is a large project?

37 A That's right, it is
38 the last large project that was built.

Campbell, Ryan
Cr Ex by Bayly

1 Q And you feel that you
2 can't exactly predict what the inflationary effects may
3 be of this project?

4 A Well, you may have a
5 small percentage but that is pretty hard to predict.

6 Q You've said on Page 5
7 that the Yukon business community expects to work with
8 the builders of the pipeline and that you feel that if you
9 have the necessary need -- necessary lead time -- that
10 you can obtain the inventories or bulk purchases that
11 will be required by the company. Do you expect or request
12 or demand preferential treatment over suppliers from other
13 parts of Canada or the world?

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A No, we're not asking that, we're asking that the -- supposing Foothills is granted the right to come down this Highway with a pipeline, that they then check with the suppliers in Whitehorse, which is the largest city here, and that those people who are supplying goods would then have time to bring those goods in.

 Because, as you know, you just don't have something here in one day's time. It takes about a month to six weeks to start bringing in an inventory of goods.

Q Do you feel that the members of your Chamber of Commerce are of the opinion that they will be able to compete with bulk suppliers from the South in price?

15 A We have in the past. I'm
16 speaking from my own personal experience, we were in lumber
17 and builder's supplies, and I'll go back to the Anvil
18 proposition which was one of the larger here, and also to
19 smaller ones where we've been able to compete with the
20 Outside suppliers, and did very well as a matter of fact,
21 because not only were we able to compete in price, but also
22 the fact that we had goods available today, right now, when
23 the company wanted something, they didn't have to go Outside
24 and wait for it say to be trucked in or come in by ship.

25 Q You're not talking here about
26 bulk purchases, I take it, in that last portion of your

answer to the question?

A Well, I'm talking of what can be put into an inventory here by companies in Whitehorse.

Q But you're saying two things.

A I mean bulk can be, -- you know, this is a pretty broad term. When you say bulk -- what are you speaking of now when you say bulk?

Q Well, that's what I'm asking you sir. You said that if you had the lead time necessary to obtain inventories or special bulk purchases, you'll be able to supply the company, but you're also saying, I take it, that because you're on hand, if the company needs something and you've got it, you're right here.

A That's right.

Q But that isn't a bulk purchase in the way you mean it in the second paragraph on page 5, I take it, where you talk about special bulk purchases?

A Well, when I'm speaking of bulk purchases. Now let me go back to my own business, and I'm speaking of lumber and building supplies, in other words if they came in and they want a truck load of plywood, we would have it on hand. Now that's what I'm speaking of.

I'm not speaking of all the pipe for the pipeline. I don't mean that. That sort of thing. But I'm speaking of say construction materials and allied inventories that go along in that line.

1 Q Would you anticipate that this
2 will present any problems to your present customers, because
3 of the limits of the inventory that you can carry through
4 your own business and through the -

5 A No, as a matter of fact, it
6 quite often goes the other way. Because of the larger
7 inventory you're carrying, you're bringing -- it goes back
8 to dollars and cents, that the more you can bring in, the
9 lesser your cost, and sometimes you can sell at a lesser
10 price.

11 Q Would you anticipate local
12 shortages of things if the pipeline company has forgotten to
13 buy them and say buys up all ^{the} paper clips in town?

14 A Oh, that can happen, yes.
15 As a matter of fact that has happened.

16 Q Yes. And although that may
17 not be a major thing, it can cause some inconvenience and
18 delays for other customers?

19 A Yes, that can happen.

20 Q And you would anticipate there
21 might be some of that in this project?

22 A Possible, right.

23 Q Now, you've made some
24 recommendations to government, and one of them is with regard
25 to the game regulations, and you've recommended that the
26 Game Ordinance be strengthened by providing that there be a

1 twelve month residency in order to obtain a resident game
2 hunting permit.

3 A Right.

4 Q Would you make similar
5 recommendations with regard to fishing?

6 A Well, I think that applies.

7 Q You're talking about --

8 A The overall picture.

9 Q -- hunting as well as fishing?

10 A Yes.

11 Q And are you talking about big
12 game licenses for non-residents as well?

13 A No, we're not speaking of
14 big game licenses, because usually this wouldn't apply to
15 workers on a pipeline.

16 Q And why would it not apply
17 to them? Aren't they rich enough, or --

18 A They don't have the time. If
19 you're out there working on the pipeline ten hours a day
20 seven days a week, how can you take off six weeks to go
21 hunting?

22 Q I see.

23 A I mean, you're speaking now
24 of people coming in for big game hunting Dall's Sheep, and
25 moose, et cetera?

26 Q Yes.

1 You're not contemplating that pipe-
2 liners will be interested in that on their holidays? Or
3 you're not contemplating that they will have any holidays?

4 A Well this is -- the Outsider
5 has to have an outfitter to take him out. And you only have
6 so many outfitters in the Yukon, so you're not going to have
7 an influx of pipeline workers just going out big game hunting.

8 Q They'll just go on the waiting
9 list then, and take their turn in the normal course of things?

10 A That could be.

11 Q Are you confident of the
12 government's ability not only to prepare suitable regulations
13 but to enforce them to protect the environment against
14 unnecessary and careless damage as you put it on page 6?

15 A Yes, I think they can.

16 Q Have they shown evidence that
17 they are preparing to do that in your opinion?

18 A Yes, they have.

19 Q Have you thought of, as the
20 Chamber of Commerce, asking Foothills to keep contracts
21 locally of manageable size to avoid the problems of over-
22 capitalization of smaller businesses in the Yukon?

23 A Would you repeat that, please?

24 Q Has the Chamber of Commerce
25 contemplated requesting Foothills to keep contracts which
26 are open for tender locally of a small size to prevent over-
capitalization of existing small businesses?

Campbell, Ryan
Cr Ex by Dayly

1505

1 I realize you represent some
2 very big businesses but you also represent some small
3 businesses?

4 A That is correct. In
5 answer to that, Mr. Ryan has just mentioned to me, that --
6 and I agree with him -- that it is the purpose of our
7 Pipeline Committee to warn of those dangers that people
8 do not get themselves, we'll say, over capitalized and
9 can't handle it and go bankrupt.

10 Q And I take it that that
11 is a sufficient problem that you're prepared to work on
12 educating your membership to these dangers. Are you also
13 prepared to deal with the pipeline applicant with regard
14 to these matters so that people can be kept from getting
15 into these dangers as much as possible?

16 A Well, we, the Chamber,
17 will do that as far as the Chamber people are concerned,
18 yes.

19 Q You don't have a position
20 on it at present though, that is approaching the Foothills
21 Pipeline Company?

22 A To hold, to make their
23 contract smaller so that the smaller -- well, we haven't
24 approached them on that as yet, no.

25 Q Would you expect
26 Foothills to buy their housing from the local market or

Campbell, Ryan
Cr Ex by Davly

1 would you as the Chamber of Commerce, feel that they should
2 build their own accommodation for their own employees,
3 that is those that will be stationed here as opposed to
4 in the camps and those that will eventually be involved
5 in operations and maintenance?

6 A Well, hopefully they
7 will buy from the local market.

8 Q You don't feel that that
9 will put an undue strain on the market or inflate prices?

10 A I don't think so, not
11 at the present. If you just take a look at the paper
12 and see how many places are for sale right now, I think
13 you'll find there is lots of accommodation so I don't
14 think that would hurt anyone.

15 Q Now, do you have any
16 opinions as to whether the pipeline should pass by the
17 City of Whitehorse or whether it should pass through
18 the Municipal boundaries of the city?

19 A Well, I believe the
20 route is to cut off and come over by Fish Lake and go on
21 down by the Whitehorse copper mine which is the proposed
22 route.

23 Q Yes, but let's say
24 that Mr. Burrell or one of his associates came to you and
25 said Mr. Campbell, we'd like your opinion on where the
26 pipeline should go in relation to Whitehorse. What does

Campbell, Ryan
Cr Ex by Bayly

1 the Chamber of Commerce think about that?

2 We might even be prepared
3 to change the route if you had a good reason for telling
4 us why it should be changed.

5 A Well, I don't think
6 there would be any reason to ask them to change it because
7 they've chosen the route that cuts across behind the
8 city as such right now, and in most cases, we wouldn't
9 even know the pipeline was there.

10 Q Do you see any benefits
11 to it passing through the city for the purpose of
12 attracting municipal taxes? I don't mean right through
13 the main street or anything but this city has very wide
14 limits to its jurisdiction?

15 A Well, I believe the
16 -- I'm not just too sure on that -- but I believe the
17 pipeline is -- does come within the city limits in part.

18 Q And that is only for
19 a small proportion of its route, I suggest to you. Would
20 you be able to confirm that? Would you like to see more
21 of it in the city -- within the city limits?

22 A No, no I wouldn't. I
23 think the route that they've chosen is a good one.

24 Q Right.

25 Mr. Ryan, I have a few questions
26 for you sir.

1 Page 3 of your Appendix to the
2 Chamber of Commerce evidence. In Item (c) on Page 3,
3 you've stated that the hydroelectric energy process is
4 non-polluting and that the environmental impacts of
5 the project are mixed, but that they often provide
6 moderating influences on the fluctuations of nature which
7 may be helpful.

8 Can you tell me sir, is this a
9 biological opinion that has been expressed to you or is
10 it your own opinion?

11 MR. RYAN: As I said up in an
12 earlier paragraph, I am quoting Rutherford, the consultant
13 in Alaska or happen to agree with him.

14 Q And what are Mr.
15 Rutherford's qualifications, can you tell me? Is he a
16 biologist or is he an engineer?

17 A I don't know, but it
18 was prepared for the United States Department of the
19 Interior and the Alaska Power Administration and I would
20 think that they looked carefully at who they would hire.

21 Q I'm not suggesting that
22 his qualifications are anything but the best. I'm just
23 wondering if you know what they are sir?

24 A No I don't.

25 Q Are you aware that areas
26 expressed by the Territorial Game Branch, a concern that

1 the winter range values of the valley bottoms which may
2 be flooded by hydroelectric projects are of immense value
3 to big game? That is not something you are aware of?

4 A No.

5 Q You've referred to the
6 benefits of providing hydroelectric power to power the
7 compressor station of the proposed pipeline. Can you tell
8 me how much non-renewable fuel would be involved in
9 constructing the hydro projects and how that compares
10 with the percentage of fuel which is used from the pipe-
11 line itself to power the project?

12 A I can't give you an
13 answer to the amount of fuel that would be consumed to
14 build the project. I can give you an indication of the
15 amount of fuel that is saved once the project is finished.

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1 Q There is, you will agree,
2 an amount of fossil fuel that is required to build hydro dams
3 and related facilities?

4 A Yes, as I started off 'some-
5 thing for something.'

6 Q Now, that, I would take it
7 would probably be non-renewable resources from Canada.

8 A Hopefully it would come
9 from Vancouver off a certain ship and over a certain pipeline.

10 Q You don't know whether it
11 would be Canadian fuel or not.

12 A I would assume it would be
13 Canadian fuel.

14 Q So we might be using Canadian
15 non-renewable resources to build hydro projects to provide
16 power to save American's fuel in their pipeline.

17 A Right, and to make money on
18 it.

19 Q But you haven't done an
20 energy budget for that, I take it, to see whether the savings
21 are real or not?

22 A We haven't, no.

23 Q Does Mr. Rutherford refer to
24 that?

25 A Yes, he does.

26 Q Has he done an energy budget

1 that you have in that study that you have before you?

2 A He has compared the different
3 sources of power that are available and he comes to the
4 conclusion that hydro electric is the best.

5 Q I understand that and you have
6 stated that in your evidence but what I am concerned with is
7 whether he has done any kind of an energy budget that you are
8 aware of to see whether the non-renewable fuel costs of con-
9 structing the hydro project compare favourably with the costs
10 of generating the power for the compressor stations from the
11 gas which is to be transmitted?

12 A Well, the only answer I can
13 give there is perhaps a bit of logic. It is going to take
14 possibly five to seven years to construct a major hydro project.
15 It will take at least fifty years to send the known gas reserves
16 south by ship.

17 I expect they are going to find more
18 reserves so it is a case of using some fuel over a short
19 period of time to conserve a great deal of fuel over a very
20 long period of time.

21 I would think that the return on in-
22 vestment would be good, whether applied to money or Btu's. That
23 is a non-expert opinion.

24 Q So it looks like a good in-
25 vestment but we can't tell just how much fuel saving is invol-
26 ved from the figure that you have before you.

1 A No, because I don't know how
2 much fuel was consumed to build the project.

3 MR. BAYLY: Those are all the
4 questions I have, thank you.

5 MR. COUDCE: Next, Mr. Horton for
6 the Government of Yukon.

7 MR. HORTON: I have a few questions.

8 CROSS EXAMINATION BY MR. HORTON:

9 Q Mr. Ryan, in the previous
10 panel, referred in the context of White Pass to the possibility
11 of the business opportunities resulting from pipeline construct-
12 ion creating an opportunity for regeneration of existing plant,
13 existing equipment, I am wondering whether other members of the
14 Chamber of Commerce see the same opportunity in respect of their
15 own business that they will, through the business from a pipe-
16 line project, be able to replace what is near needing replacement
17 right now.

18 MR. RYAN: I can't speak for them, I
19 don't know.

20 Q Mr. Campbell?

21 MR. CAMPBELL: You are speaking
22 of the small operator?

23 Q Small or big, any other
24 members of the Chamber?

25 A You are speaking of what,
26 cat type of equipment or heavy duty equipment or-- is this what

1 you are speaking of?

2 Q Well, Mr. Ryan previously re
3 ferred specifically to White Pass and that there would be
4 some opportunity through Foothills business, in the event of
5 pipeline construction, to replace existing equipment.

6 A That could apply, yes.

7 Q --That needs to be replaced
8 and it is only a question of time and if Foothills doesn't
9 pay the replacement cost through giving business to White Pass,
10 somebody else in due course is going to have to.

11 I am wondering whether the Chamber--
12 whether other members of the Chamber feel that they are in the
13 same position, whether it be warehouse equipment or trucks or
14 whatever, that are going to have to be replaced, that they see
15 right now are going to have to be replaced?

16 A Yes, that could come about
17 with either rolling stock or, as you say, warehousing or what-
18 ever could be enlarged.

19 Q Now, there has previously
20 been in earlier evidence some talk of what is a Yukon resident
21 and what is not a Yukon resident and you have provided a spec-
22 ific definition. Just for the purposes of clarification, I
23 wonder if perhaps you could state what objectives you are try-
24 ing to achieve by means of defining Yukon resident. The reason
25 I ask it is because I can easily foresee that there might come
26 to be great debate about what the definition should be and there-

1 fore the objectives to be achieved are relevant.

2 A Do you want me to answer that?

3 Q Yes.

4 A Okay. We have taken in this
5 definition as being used by the Territorial Government and by
6 the Department of Public Works today on the Dempster Highway
7 and in some of the projects^{that} are already working and they're
8 using the same criteria for their definition and that - I
9 think, am I wrong there?

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1 On the Dempster Highway, yes.

2 MR. MORRISON: They do have definition
3 of "local resident," that is what I ^{think} Mr. Campbell means, not
4 this specific definition of "local residents".

5 MR. CAMPBELL: This is apparently
6 what is being used. I checked with the people.

7 MR. HORTON: You have -- you're saying
8 that you have chosen the definition which you feel others are
9 using.

10 A That's right.

11 Q Would it be fair for me to
12 suggest or infer from what you have stated in your evidence
13 previously, that the reason you are wanting to define "Yukon
14 resident" is so that jobs which are restricted to Yukon resi-
15 dents are thereby restricted to persons who have some rea-
16 sonably perment historical ties to the Yukon, who seem to be
17 permanent residents or have been for some period of time.
18 That's the objective, is it?

19 A That's right.

20 Q Mr. Bayly was asking some
21 questions about the wage rate being paid to pipeline workers,
22 and that their gross wage becomes particularly high because of
23 the vast amount of overtime. I'm wondering what you feel would
24 be the probability of overtime having to be worked by the
25 employees of companies, local companies, that are providing
26 goods and services to Foothills?

1 A This could come about, yes.

2 Q Do you have anything more
3 than simply conceding that there is a possibility that --

4 A No, no we don't. But
5 this could happen where people would be working overtime,
6 suppliers, or whatever -- extra time.

7 Q So it just wouldn't be the
8 Foothills people that would be working overtime, or their
9 own contractors who would be working overtime.

10 A No. This, as I say, could
11 happen in a company where they require people to put in extra
12 time to take care of the needs.

13 Q Mr. Campbell, on the --
14 starting on the 8th page of your presentation, you quote a
15 speech, the Maiden speech of the Senator, and as a result of
16 one of his statements in that speech, I direct the question --
17 but I direct to both you and Mr. Ryan. Now, you have both been
18 residents of the Yukon quite a period of time. Haven't you?

19 A Well, I've been here since
20 '43.

21 Q The Senator says: "Fu-
22 ture development must fit into our social, political
23 and economic environments." Now, in previous evidence before
24 the Inquiry, there has been a great deal of reference to the
25 Alyeska experience, and yesterday they got talking about
26 analogies to be drawn from Fort McMurray and construction

1 of a pipeline down from there.

2 I'm wondering if you gentlemen would
3 care to comment on the nature and impact as you have experienced
4 it, of major developments that have taken place in the past. For
5 example, Anvil. Could you perhaps describe what all that
6 project entailed.

7 A Well speaking for our
8 own company, we were supplying in a small way, now we're
9 getting back to smaller bits and pieces of lumber and building
10 supply business here, and in construction where we were
11 manufacturing bits and pieces for them. They boosted our
12 business considerably during the period of time that they were
13 here in construction. But we managed to take care of the
14 needs that we were called upon to fill.

15 Q So that's how it affected
16 your company, but what was the total Anvil project? Could
17 you briefly describe that, or perhaps Mr. Ryan? It was
18 a mining development wasn't it?

19 MR. RYAN: It was a mining deve-
20 lopment. There were no proper production roads to it there was
21 a trail so the new highway had to be constructed. I'm
22 going from memory, I believe that the Federal Government put
23 in about \$100 million on the road.

24 The mine itself had to be built.
25 The White Pass had to get new locomotives, new rolling stock
26 new containers, a new ship. Skagway had quite a development.

1 They had to fill in part of the harbor, so that the concentrate
2 as it would arrive in Skaqway, could be housed within the
3 Japanese and German ships. It took about three years to do.
4 It required crews internationally. It had a large impact
5 on community of Whitehorse itself.

6 The new town was built in Faro
7 which is Yukon's second largest community. It was built
8 twice, because the first time it was built, it burned down.

9 It provided major and lasting bene-
10 fits to Yukon. If you could look at it with a bit of Irish
11 logic, last summer, by not being there, showed you the impact
12 that Anvil has on the economic community of Yukon.

1 It's a case where there is a temporary problem for a short
2 period of time that leads to good benefits for a long period
3 of time.

4 Q Are you able to recall
5 approximately the total number of workers involved in the Yukon,
6 working in the Yukon during the construction phase of that
7 project? The highway, the housing, the mine plant?

8 A I'd only have to guess.

9 Q What would your guess be?

10 A About a thousand.

11 Q What would the population of
12 the Yukon have been at that time?

13 A Mr. Campbell says about
14 18,000.

15 Q I believe in answer to some
16 questions that Mr. Bayly directed to you, you referred to, I
17 think it was in reference to paper clips, that there had been
18 at times in the past during development or perhaps not even
19 during development, shortages, or simply running out of a
20 particular commodity for a brief period of time. I'm
21 wondering, did those shortages, when they occurred, result in
22 increasing prices?

23 A No, they did not, but this
24 has happened where a company has come in and bought up certain
25 small items and you might say cleaned the town out, but it
26 didn't increase the prices.

Ryan, Campbell
Cr Ex by Herton
Cr Ex by Taves

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1 Q So, your conclusion or evidence
2 would be then that there was no increase in price, and I
3 suppose the main impact was simply the inconvenience of
4 having to wait for a little while until that stock got
5 replaced?

6 A Yes, that's right.

7 MR. HORTON No further questions, Mr.
8 Chairman.

9 MR. GOUDGE: Mr. Taves, for Canadian
10 Arctic Gas?

11 CROSS-EXAMINATION BY MR. TAVES:

12 MR. TAVES: Thank you. One further
13 question, gentlemen, regarding the definition of a local
14 resident. I'm wondering if you have given any thought, has
15 the Chamber has given any thought as to how the definition
16 would be enforced?

17 MR. RYAN: There was some talk that
18 the government requires registration for their Health Plan.
19 And that probably could be the good source to verify whether
20 somebody was in Yukon prior to the magic date.

21 Q In other words, if a man had
22 his card with his Health Plan number on it, dated a certain
23 time, that would be the criteria?

24 A Yes, it could be cross-
25 referenced.

26 Q On page 7, of the evidence,

1 you indicate that, in your opinion, planning is required for
2 the government to ensure that the pipeline company will be
3 responsible for the assumption of cost increases attributable
4 to the pipeline.

5 I'm wondering if the Chamber has given
6 any thought to any specific types of measures that the
7 government could take to ensure such a thing?

8 MR. CAMPBELL: Well we recommended
9 that the Energy Board Hearing, a bond could be posted by the
10 company. In other words, to offset costs that accrue.

11 Q And then presumably the
12 Government would then decide whether or not the costs, some
13 costs had or had not in fact accrued because, and the pipeline
14 company was responsible for it and used the bond in that
15 manner?

16 A That's right.

17 Q You also state on page 7,
18 in dealing with the increase to various services such as
19 welfare costs, highway maintenance, municipal services, that
20 the Territorial Government, then the Canadian Government will
21 have to initiate immediate action to solve that kind of a
22 potential problem? I'm wondering if the Chamber has given
23 any thought to, if impact funding and adequate planning is
24 not forthcoming, would it then be your opinion that these
25 costs would outweigh the benefit of the pipeline to the
26 communities, or to the Yukon?

Ryan, Campbell
Cr Ex by Taves
Cr Ex by Goudge

1 A Well, I don't think that would
2 happen, really. I think the benefits would be far greater
3 in the overall run than the costs.

4 Q In other words, even if there
5 was no planning, whatever, the benefits in your opinion
6 would still far outweigh --

7 A I think they would. This is,
8 I'm going from past experience now, when we go back to say
9 the Anvil, which is the largest project that we have had
10 here since the war time.

11 MR. TAVES: Okay. Thank you, I have no
12 further questions, Mr. Chairman.

13 MR. GOUDGE: If there are any members
14 of the public who would like to ask questions, as opposed
15 to make statements to this panel, please do so now.

16 Well, sir, I just have a couple of
17 questions."

18 CROSS-EXAMINATION BY MR. GOUDGE:

19 MR. GOUDGE: Mr. Ryan you have referred
20 to this report by Rutherford and Associates and you're
21 going to let us have one which we can mark as an exhibit, I
22 take it.

23 MR. RYAN: Fine.

24 (REPORT OF RUTHERFORD AND ASSOCIATES MARKED AS EXHIBIT NUMBER 43)
25
26

Campbell, Ryan
Cr Ex by Goudge

1 Q Secondly, the time
2 frame for the preparation of the electric generation
3 facilities you referred to as five to seven years, is that
4 what you said in response to Mr. Bayly?

5 A Yes I did.

6 Q Yes and I take it your
7 assumption is that the pipeline would be built as is
8 proposed by Foothills on their time frame?

9 A Yes, that is correct.

10 Q And that would mean
11 a conversion from gas powering to electric powering, some
12 time down the line?

13 A Yes, I've already
14 acknowledged that to the National Energy Board.

15 Q And the relative costing
16 comparisons would have to take into account, the cost to
17 Foothills of building their compressor stations with the
18 capacity to switch to electric power and indeed, the
19 conversion cost-when it occurs?

20 A I would assume so.

21 Q Yes. Now, you refer on
22 Page 4 of your evidence to the possibility of a kind of
23 heritage fund based on this hydroelectric generation, is
24 that correct?

25 A That is right.

26 Q Let me suggest to you

1 that it is possible to conceive of the same kind of fund
2 arising simply by reason of the existence of the gas
3 transmission line, funded by ultimately, the consumers of
4 that gas. Have you contemplated that?

5 A No, I've looked at Yukon
6 as more or less the corridor and I couldn't see where
7 Yukon could get too much of a tariff fee to pass it
8 through.

9 Q There is no reason why
10 Yukon should not get impact funding from the company and
11 its consumers?

12 A Well, impact funding
13 is one thing --

14 Q Yes.

15 A -- but what I'm talking
16 about is a long term continuing source of funds to Yukon.

17 Q I understand that.
18 Impact funding is designed to compensate.

19 A For the initial dis-
20 ruption.

21 Q Yes. I'm suggesting
22 to you that in addition, there is the possibility of at
23 least contemplating a kind of royalty arrangement, albeit
24 the resource being transmitted does not originate here --
25 a kind of royalty arrangement of providing Yukon with an
26 ongoing fund, so long as the line is in operation through

Campbell, Ryan
Cr Ex by Bayly

1 Yukon Territory?

2 A Well, that would suit
3 me too.

4 Q Yes. You haven't con-
5 templated that in detail I take it?

6 A No, but bear in mind
7 though, that we shouldn't kill the goose that has put
8 away the golden egg.

9 Q I understand that.
10 Thank you. Those are all the
11 questions I have.

12 MR. CHAIRMAN: Thank you Mr.
13 Campbell, Mr. Ryan for your presentation.

14 MR. GOUDGE: Thank you gentle-
15 men.

16 (MESSRS. CAMPBELL, RYAN ASIDE)

17 MR. GOUDGE: I would like to
18 move next if I could sir, to the presentation be made by
19 Mr. Bell. It is a joint presentation which he makes on
20 behalf of the Association of Yukon Municipalities and
21 on behalf of the City of Whitehorse insofar as it is a
22 member of that association.

23 Mr. Bell, if you'd be good
24 enough to come forward.

25 (BRIEF BY THE ASSOCIATION OF MUNICIPALITIES MARKED
26 AS EXHIBIT NUMBER 44)

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1
2
3 MR. GOUDGE: Mr. Chairman,
4 members of the Board, Mr. Bell, I wonder if you'd be good
5 enough sir, to identify yourself and your position and
6 then if you'd be kind enough to read your presentation.

7 DCUG BELL, Sworn.

8 MR. BELL: Yes sir. My name
9 is Doug Bell, Alderman, City of Whitehorse, representing
10 the Association of Yukon Municipalities which is comprised
11 in this Municipality of Dawson, Faro and Whitehorse.

12 Recently, the Local Improvement
13 Districts have become members.

14 MR. CHAIRMAN: Mr. Bell, I
15 might just suggest you move the microphone a little closer
16 if you would.

17 MR. BELL: How is that.

18 MR. CHAIRMAN: Thank you.

19 MR. BELL: And you just want
20 me to read the statement into the record now.

21 MR. CHAIRMAN: If that is
22 agreeable to you, please.

23 MR. BELL: Okay.

24 Uncertainty runs rampant north
25 of 60. Uncertainty about the national goals and objectives
26 for northern Canada; uncertainty about land policies,

1 about revenues, about government and above all, about
2 control of our own destiny.

3 The northerner has never seen
4 evidence in this century that our Government has had a
5 plan about how northern development should proceed.
6 Without a resource to be stripped, the north is not a
7 priority area.

8 The boom-bust cycle the north has
9 experienced since the Klondike Gold Rush at the end of
10 the last century, is evidence of the validity of these
11 observations. This very hearing and the reason for it
12 is yet another example, and we are not the only people
13 who think so.

14 Mr. Edgar J. Dosman in his book,
15 'The National Interest', echoes our sentiments and I
16 quote,

17 "The responsible development of the North
18 and the Arctic basin offers a unique oppor-
19 tunity for Canada in the International
20 community. Yet there has been neither the
21 insight, nor the will, to face a responsi-
22 bility that geography and history have
23 allocated to this country. A great deal of
24 concern has centered on the jurisdictional
25 issues; almost no intelligent action has
26 been taken to link that issue with the

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In Chair

1 pattern of resource development in the North."

2 Now is the the time to chance
3 the pattern.

4 The northern land is not as
5 forgiving as other areas of the nation. We should know
6 where we are going before we begin.

7 This is the experience out of
8 which we speak. It is our desire, perhaps even our
9 right, that this pipeline experience should be positive.
10 It is our intent to do everything we can to make it so.
11 We ask the same of others involved.

1 Statement of Position. The Association
2 of Yukon Municipalities supports the Foothills Pipeline (Yukon)
3 Limited application, provided that:

4 One. Full precautions are taken to
5 safeguard the social and economic lifestyle of all Yukoners.

6 Two. Sufficient funding is made
7 available to communities for increased demands on services.

8 Three. After the construction
9 period, communities are not left with over-extended services
10 and prohibitive operation and maintenance costs that could
11 lead to a depressed economy.

12 The Reasons for the Position. Our
13 support is also subject to guarantees in the form of written
14 agreements that the long term benefits to the municipalities
15 will be assured. Examples of this would be: Upgrading of
16 the Alaska Highway, a guaranteed unlimited supply of natural
17 gas at preferred rates, a transmission tax which would be
18 shared with municipalities throughout the Yukon.

19 Two further reasons for our support
20 are: It is our unprofessional opinion that the Alcan route
21 presents the least harmful effects upon our environment by
22 it's use of an already existing corridor. We note with
23 interest that the pipeline right-of-way needs 90 feet. The
24 Alaska Highway right-of-way is 300 feet.

25 We feel that in the future our
26 greatest resource may well be unspoiled wilderness. It's a

1 | valuable commodity, even today. And confining development to
2 | only one corridor we safeguard this non-renewable resource.

3 | We quote from an Arctic Gas brochure:

4 | "An agreement between the two
5 | governments, permitting oil and gas to travel
6 | in bond across either country is likely to be
7 | formally announced soon. Moreover, most of the
8 | oil currently consumed in the Provinces of
9 | Ontario and Quebec is transported to these
10 | Provinces across U.S. territory. If Canada
11 | halted or diverted the shipment of Alaskan gas
12 | to the United States, it would be highly
13 | vulnerable both the retaliatory disruption
14 | of these oil supplies by the United States and
15 | other appropriate counter measures."

16 | That was from page two of a Rand
17 | report to the California State Assembly, and we did not find
18 | the date.

19 | Northerners are practical people. The
20 | gas hungry majority south of us will get what is necessary to
21 | them in one way or another. It is our desire that it be on
22 | our terms.

23 | We will now turn to our concerns.
24 | Generally we see the project and it's effect in three phases.
25 | Phase one will be pre-pipeline, phase two pipeline, and phase
26 | three - post-pipeline. The most critical will probably be

1 the post-pipeline period. That is when we, as municipalities,
2 expect the crunch to come, physically, economically, and
3 socially. That is not to suggest we view the other phases
4 with any less importance, but that they will be brief compared
5 to the final phase. There is one common factor to all phases:
6 They will all increase costs to our municipalities, physically,
7 socially, and environmentally. Since the beginning of
8 capitalism there has only been one way to measure these costs:
9 Money. We will need extraordinary funding to help us
10 survive.

11 Pre-pipeline Phase. Assuming approval
12 the pre-pipeline phase is of crucial importance at this
13 time and it should include enough time for Yukoners to
14 prepare, to plan, and to consult with the applicant. We
15 cannot define an exact time frame, but we expect it should
16 be several months of meetings and consultations. We recognize
17 that this is the applicant's wish as stated on page 5A - 5.1,
18 Volume 5. It is the applicant's policy, and this is quote:

19 "It is the applicant's policy to
20 seek the advice and guidance of all sections of
21 Yukon population before allowing it's procedures
22 and policy to crystalize."

23 And the applicant states further on
24 the same page:

25 "Upon approval of the project,
26 the applicant proposes to consult extensively

1 with local representatives, and to review with
2 them, detailed plans for project implementation."

3 We expect that if the route is approved,
4 this will happen. We will do our best to see that it does.

5 For the purpose of this presentation,
6 we are assuming that the pre-pipeline phase will be primarily
7 discussion and planning. There will be costs associated
8 with even that that the municipalities and LID's should not
9 be expected to bear. It would be ideal if, once a route has
10 been established, that these communities could have some
11 pre-impact time to develop services to prepare land, upgrade
12 and build housing and recreational facilities, prepare
13 legislation, and upgrade road and other systems, to better
14 withstand the impact.

15 Precise and prior knowledge and time
16 is essential. The majority of our concerns could have
17 serious financial implications to the municipalities. The
18 budget revenue cycle is not geared to the rapid changes and
19 demands that could be placed upon us by such a major project.
20 Municipalities should not be placed in a situation where it
21 would be necessary for them to borrow money to support the
22 effects and efforts of the project.

23 The taxpayer could be burdened with
24 a long term debt and have to pay long after the boom. We
25 cite from the applicants proposal, Volume 5, page 5A - 4.15:

26 "Whitehorse is still small

1 enough to be very susceptible to the effects of
2 even small changes in the economic fortunes of
3 the Territory."

4 The same statement will apply to the
5 other members of the Association.

6 Recognizing this, it is our opinion
7 that the applicant must be prepared to support the cause and
8 effect of the pipeline with dollars, perhaps beyond present
9 considerations.

1 Second, the pipeline phase. The
2 key municipal and community concerns in this phase are many
3 and varied. They are not listed in any order of priority.
4 Land development; recreational development; fire, ambulance and
5 health services; public works, transportation systems, roads;
6 general government; alcohol and drug abuse; social security
7 for transient people; labour shortages and increased wages;
8 senior citizens and others on fixed incomes; time to prepare;
9 local gas supply; project proliferation and our wilderness
10 areas.

11 To each of the above, we ask you
12 to append those of the following questions that are relevant:
13 When? Where? Why? What are short term and long term impacts?
14 How much? and Who pays?

15 In a nutshell, we need economic pro-
16 tection from somewhere. We cannot support the time, the peo-
17 ple and the resources needed to even prepare for the impact.

18 One serious concern noted above that
19 should be expanded upon is item (1) project proliferation.
20 Facing us in the next decade are: one or more pipelines; a
21 large smelter; a large hydro project; a ten year paving project;
22 more mines; a railroad extension, and who knows what else.
23 Perhaps there is truth in Mr. Dosman's observations quoted
24 on page one of this submission. We had better be certain of
25 where we are jumping before we jump. Thinking in the air can-
26 not affect the point of impact, regardless of our concerns

then.

A second concern needing expansion is item (k), local gas supply.

We have been promised natural gas for our communities if we desire. The gas is, as we understand it, to be replaced in the line from Alberta fields to ensure that the same amount that leaves Alaska is delivered to U.S. customers. It follows then that the supply upon which we will depend is that of gas fields south of 60.

The testimony of Mr. J.J. Leroux, of 28 January, 1977, included the following statement: "We believe that the reserves of natural gas in the provinces of British Columbia, Alberta and Saskatchewan are sufficiently committed to markets that adequate future security of supply can only come about by connection of frontier reserves to Canadian Markets." While we may not expect to be large volume users for some time, this testimony raises the question in our minds as to the continued supply of natural gas to our people if we elect to become users. Could we have some assurances here?

On the subject of natural gas we note the comment of the applicant to provide information, and as much assistance as is practicable. The details of this we assume would be determined in pre-pipeline consultations.

The exception of the above two items is not to suggest that we consider the others any less

important, only that those not excepted are well known, and are almost self-explanatory.

In essence, during the pipeline phase, we need men, money and materials, help in all aspects and at all levels of our social structure. Without such support no project will receive our support.

Post-Pipeline Phase: To everyone but ourselves, this may be considered the least significant phase. "It'll be all over!" But we will have to live with it and the results of it. In the past, we have been courted with sweet promises, and left with bitter pills to swallow. In this phase of our growth, we cannot afford a repeat performance.

Our Suggestions and Recommendations: The ideal recommendation would be one time extraordinary funding sufficient to cover all contingencies discussed in this paper, and any that have been missed, followed by continuing revenue at a level to cover all additional costs placed on the municipality by the project or projects.

Some of our questions have been posed earlier in this statement. Those that follow will include some already covered, by ourselves or the applicant. They will also include recommendations beyond the power of the committee. They are included to make our submission complete for ourselves and our members. Please accept it in this light.

1 It is recommended that the applicant
2 be required to provide natural gas to communities on the route
3 that elect to have this service.

4 It is recommended that each commun-
5 ity or municipality be given the option to operate its own
6 gas distribution system.

7 It is recommended that various legis-
8 lative changes be made to give L.I.D.'s and municipalities
9 and other regulatory agencies the power over natural gas.

10 It is recommended that some form of
11 continuing and additional revenue be made available to commun-
12 ities and municipalities through various taxes applied to the
13 system and that these revenues be directed to the appropriate
14 levels of government through tax-sharing agreements.

15 It is recommended that senior levels
16 of government grant a special regional tax relief, or income
17 supplement to those people on fixed incomes who will not be
18 able to react to the inflationary effect of the pipeline.

19 It is recommended that special impact
20 funding be made available to communities and municipalities for
21 such things as: improvement of building, and upkeep of recrea-
22 tional facilities; studies to determine the feasibility of
23 community natural gas systems; other studies deemed necessary
24 in joint consultation; operating and maintenance costs above
25 a selected period average encountered by municipalities such
26 as on their road systems; extraordinary funding for the unex-

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1 pected and the unknown.

2 As citizens of Canada who have long
3 been denied a voice in the development of the part of our na-
4 tion we have chosen as our home, we appreciate this opportun-
5 ity to speak before this Board.

6 We are well aware that there are
7 national concerns involved here far above our own, nonetheless,
8 it is our lives, and our homes, and our communities that will
9 be affected. We trust that the prime concern in the delibera-
10 tions will be people, and not profit.

1 MR. CHAIRMAN: Thank you very much,
2 Mr. Bell, representing the Yukon Association of Yukon Munici-
3 palities. Mr. Goudge?

4 MR. GOUDGE: Yes sir. If I could
5 go through our list again, and Mr. Hudson of Foothills Pipe-
6 lines.

7 CROSS EXAMINATION BY MR. HUDSON.

8 MR. HUDSON: Mr. Bell on the --
9 just a clarification. You have a list on page 4 of concerns
10 and I take it in that list you are speaking not only in a
11 governmental statute, but on behalf of residents as well.
12 Since some of these items are not within the purview of the
13 municipality and the statute to creating it. Isn't that
14 correct?

15 MR. BELL: Yes.

16 Q For instance alcohol and
17 drug abuse, other than as a concern to the citizens who form
18 the municipalities is not within your municipal jurisdiction.

19 A That's right.

20 Q -- and social security.
21 The city does not -- cities and municipalities do not handle
22 welfare. It is done by the Territorial Government.

23 A That's right.

24 Q And the matter of labour
25 shortage and increased wages doesn't come within your --

26 A We can't do anything about

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1 it, but we will be affected by all
2 of these concerns.

3 Q Yes. The matter of senior
4 citizens and others on fixed income. So if we hear from the
Territorial Government and the Federal Government, we know
6 what we are hearing from the people involved governmentally,
7 it isn't you.

8 You have at page 6 reference to a
9 testimony of Mr. J.J. Leroux. Who is he?

10 A I haven't got my notes with
11 me but he was an expert who was ^{/quoted} in the National Energy Board
12 minutes.

13 Q An expert in what, do you
14 know?

15 A No. On gas reserves, I
16 remember that much about reading it.

17 Q Do you have any idea as
18 to his qualifications in detail?

19 A No I have them but I didn't
20 bring them with me.

21 Q Does your research into
22 this subject enable you to discover that in fact there are
23 reserves uncommitted in the province of Alberta at this time,
24 which he doesn't seem to be aware of.

25 A No. It's simply that this
26 placed it out in our minds and we are simply raising a question.

1 Q Would you like to make --

2 A It could be answered

3 perhaps right here.

4 Q I was going --

5 MR. GOUDGE: We should require Mr.
6 Hudson to make a commitment he can't make right now.

7 MR. HUDSON: No I don't wish to
8 give evidence as counsel to incur Mr. Bavy's concern or
9 anybody else's. I think we can provide that answer at a later
10 time.

11 Q Would you agree Mr. Bell that the
12 situation here can be considered in a two-fold way in that
13 impacts can be mitigated by steps taken in advance, thereby
14 eliminating that portion of a cost of an impact?

15 MR. BELL: In theory I would agree
16 with you. In practice, I'm not so sure I would agree.

17 Q Would you not agree that
18 as far as the municipalities are concerned the placement of
19 camps with full facilities, as full as they might need
20 outside the municipalities, will have an effect on reducing
21 the impact on the municipalities?

22 A Yes I would agree.

23 Q Would you agree that the
24 practice of hiring other than Yukon labour from outside points
25 flying to their place of work and flying them away when their
26 work is finished, would have an effect in reducing impact?

Bell.

Mr. Mr. Hudson.

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1 A Reducing impact, yes.

2 Q And would you agree that
3 the advertising of that fact to the country at large would
4 have an effect on reducing that impact?

5 A Again, reducing, yes.
6 Not eliminating.

7 Q And would agree that the
8 division of the total labour involvement from outside the
9 Yukon, the division of that into camps spread along the route
10 of the line would have an effect on reducing the impact on
11 the municipalities?

12 A I think it would.

13 Q And I believe you've
14 agreed in the brief that discussions, preplanning as well,
15 would have a substantial effect on the reduction of impact,
16 that is to say discussions between the companies involved
17 and the municipalities involved.

18 A Certain discussions and
19 and agreements. Yes, definitely.

20 Q So that I think that
21 you would fairly agree with me then that the municipalities
22 are not solely interested in securing a large sum of money
23 to cover impacts. You're also equally, if I may suggest, interes-
24 ted in reducing the impacts by preplanning^{and} hearing from the
25 company as to the parts of the project that will have that
26 effect.

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Cr Ex by Joe

Yes, preplanning and some dollars
to help in the preplanning.

Q Thank you Mr. Bell.

MR. HUDSON: Next, sir, is Mr.
Joe, Council for Yukon Indians.

CROSS-EXAMINATION BY MR. JOE:

Q I have a couple of
questions, Mr. Bell.

In relation to the Municipal
or Local Improvement District boundaries, are you aware
if any of those boundaries include Indian reserves or
Indian communities at the present time?

MR. BELL: No. The LID's
just became members of our association and so we've --
that was just last month, so we haven't done any studies
on them.

Q But you would agree
that the recommendations that you are making now in order
to mitigate the social impact to those communities, would
also apply to the outlying Indian communities?

A I would think so, yes.

MR. JOE: Those are my questions,
Mr. Chairman.

MR. GOUDGE: Next, sir, the
Chamber of Commerce, Mr. Morrison; Yukon Transportation
Association, Mr. Ellis; Yukon Chamber of Mines, Mr.

1 Ogilvie; Yukon Association of Social Workers, Ms. McPherson;
2 Mr. Templeton isn't here; again Mr. Bayly, it brings me
3 to you, Yukon Conservation Society.

4 MR. BAYLY: Just three questions
5 Mr. Chairman.

6 CROSS-EXAMINATION BY MR. BAYLY:

7 Q Mr. Bell, are you
8 acquainted with the Impact Centers -- the Impact Infor-
9 mation Centers -- that have been set up in Alaska,
10 specifically the one in Fairbanks?

11 A I've seen the report.

12 Q Would you recommend the
13 setting up of a similar information center either in
14 Whitehorse or in any of the other municipalities that
15 are members of the association?

16 A We haven't considered
17 it in our discussions. We didn't think that the impact
18 would be as great as the Alyeska.

19 Q You are talking about
20 impacts of a similar kind but perhaps not of a similar
21 magnitude, is that what you're saying?

22 A That is basically, yes.

23 Q But you would like to
24 receive I take it, impact funding prior to the commencement
25 of the project so that you can gear up your own services
26 in anticipation of impact?

Q. Yes.

1. Yes.
2. And you would like to
3. have continued funding so that once those infrastructures
4. are in place, you can deal with the impacts on an ongoing
5. basis both during the project and after it has wound down?

6. A. That is right.

7. Q. Can you tell me how much
8. lead time would either the association or its members
9. require in your opinion, to prepare for the impacts that
10. you would anticipate?

11. A. At this time, I couldn't.
12. We don't have a time frame on it.

13. Q. Would you be looking
14. at that question in the future.

15. A. Yes.

16. Q. Does the Association of
17. Municipalities or any of its members have an opinion with
18. regard to whether the pipeline should be routed to go
19. within municipal boundaries to attract municipal assess-
20. ment?

21. A. We've discussed it and
22. certainly we would like it from the tax revenue that it
23. would generate, but there are other areas that would
24. cause us to perhaps say no.

25. Q. Have you considered the
26. possibility of enlarging municipal boundaries to take in

D. Bell
Cr Ex by Bayly

1 the pipeline as opposed to making it come any closer to
2 the existing settlement portion of the municipalities?

3 A I think Whitehorse is
4 big enough now, but the other people haven't considered
5 that. At least it never arose in our discussions.

6 Q And is the City of
7 Whitehorse content with the present proposed route in
8 relation to its boundaries?

9 A At the time we prepared
10 this paper, we were -- I think we have -- there is a
11 question raised now that perhaps we should re-examine.
12 It -- someone brought up the point that it runs between
13 or near Fish Lake and Fish Lake could be one of our
14 water resources and just the fact that it moves in that
15 area, could be questionable so we might change our position
16 on that.

17 Q If the City does change
18 its position, would it be prepared to inform this Inquiry
19 either through sending a representative or a letter?

20 A Yes.

21 Q Those are all the
22 questions I have, thank you sir.

23 MR. GOUDGE: Mr. Horton,
24 Government of Yukon?

25 MR. HORTON: No questions.

26 MR. GOUDGE: Mr. Taves,

1 Canadian Arctic Gas?

2 CROSS-EXAMINATION BY MR. BAVLY:

3 Q Mr. Bell, I'd like to
4 follow up just one thing -- follow up from Mr. Bavly's
5 question,

6 I could refer you to Page 4 of
7 your evidence, the third paragraph, you state that the
8 budget revenue cycle is not geared to the rapid changes
9 in demands that could be placed upon the municipalities
10 by such a major project.

11 I'm wondering, given that in-
12 flexibility, could you give an estimate of perhaps the
13 minimum time of pre-impact time the municipality would
14 require to develop services, prepare land, upgrade housing,
15 et cetera?

16 MR. BELL: I'm not sure I
17 understand exactly your question. We budget on an annual
18 basis and the preparation of land of course, is dependent
19 on the size and the location and the terrain and many
20 other factors.

21

22

23

24

25

26

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1 Q In other words, you need at
2 least a year pre-impact time. Is that right?

3 A Perhaps. I wouldn't want to
4 make a definitive answer to that one. It's too broad.

5 Q I have no further questions.

6 MR. GOUDGE: Sir, if there are any
7 members of the public who would like to ask a question of
8 Mr. Bell?

9 CROSS-EXAMINATION BY MR. GOUDGE:

10 MR. GOUDGE: I just have a couple of
11 questions. Mr. Bell, could you tell us a little bit about
12 the make-up of your organization?

13 MR. BELL: It's rather an unusual
14 organization in that membership depends upon the votes. You
15 become a member when you become a municipal councillor, and
16 you cease to become a member when you are not a member of
17 any municipal council. So, therefore, the councillors and
18 the Mayor of the City of Whitehorse and the City Manager are
19 represented. The same for Faro and Dawson.

20 Q Same for Faro and Dawson?

21 A That's right.

22 Q And the LID's are also members?

23 A They are becoming members now,
24 we're in the throes.

25 Q So there are the three
26 municipalities and the LID's?

1 A Yes.

2 Q You speak in your evidence
3 that, if I could find the page for you, on page 5 at the
4 bottom, of a variety of additional projects that you see
5 possibly facing you in the next decade. The last of those
6 is a railroad extension. What are you referring to when
7 you recite that?

8 A I'm simply referring to news-
9 paper reports that say there are people continually considering
10 railway extensions, and included in one of them was in the
11 press recently.

12 Q What? An extension?

13 A This one happened to be up
14 to the Mackenzie, which doesn't affect us; but then there's
15 the extension of White Pass, which has been talked about. I
16 have no idea whether it's fact or fiction.

17 Q And the extension --

18 A In to the North. Perhaps you
19 could say into mining areas.

20 Q That's the only one of which
21 you are aware of being mooted at least for Yukon?

22 A Yes.

23 Q And lastly sir, I wonder if
24 you have had the opportunity -- it would be quite understandable
25 if you had not, considered the evidence given here earlier
26 this week by Mr. Miller ^{on behalf} of Foothills Pipelines? Have you had

an opportunity to examine that?

A No, I have not.

Q He says several things in his evidence in chief, concerning the impacts he foresees, both by way of revenue to the City of Whitehorse, and by way of expenditures to be required by the City of Whitehorse. I wonder if you would be good enough, if I supplied you with copies of that evidence to consider them, and if you have comments on them to give them to us, by letter. Would that be feasible, sir?

A Yes, definitely.

Q Thank you sir. Those are all the questions I have.

MR. CHAIRMAN: Thank you very much Mr. Bell, for your presentation.

16 (Witness Aside)

17 MR. GOUDGE: Thank you, Mr. Bell.

18 Next, sir, I would propose that we move
19 along to the next presentation. It's one to be offered by
20 Dr. J. K. Naysmith, the Federal Government's Special Claims
21 Representative of Yukon.

22 Mr. Naysmith is here at my arrangement
23 and insofar as he has material and information which would
24 indicate it would be of assistance to the Board.

25 His presentation is fourteen pages long, and I would think sir, if we could begin that now, it

might take us a little past our normal lunch break, but then we could perhaps break. There are additional copies that I could provide to the Board.

If it took us a little past our lunch break we could then break and come back for any questioning.

MR. CHAIRMAN: Yes, Mr. Goudge, we will take it this morning before breaking for lunch, but we will rise for a period long enough to fill our coffee cups.

MR. GOUDGE: By all means, sir.

(PROCEEDINGS ADJOURNED)

PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT

MR. GOUDGE: If we could carry on.

3 MR. CHAIRMAN: If you're ready, Mr.
4 Goudge.

5 DR. J.K. NAYSMITH: Sworn

6 MR. GOUDGE: Dr. Naysmith, your
7 statement to the Inquiry has been distributed. I wonder, sir,
8 if you'd be good enough simply to briefly identify yourself
9 and your position and then, if you'd be good enough to read
10 your statement to the Inquiry.

11 DR. NAYSMITH: Yes, my name is
12 John Kennedy Naysmith, I'm the Canadian Government's Special
13 Claims Representative for the Yukon.

14 Mr. Chairman, Commissioner's I'm
15 pleased to appear before you today and participate in the de-
16 liberations concerning the proposed Alaska Highway Gas Pipeline.
17 It is not necessary for me to elaborate here on the significance
18 of such a major development while the resolution of the Yukon
19 Indian claim is underway. It is sufficient to say that a de-
20 finite link exists between land, its use and the Yukon Indian
21 claim.

22 The history of land use in what is
23 now the Yukon Territory may be considered in terms of three
24 periods, namely, the prehistoric period of hunters and food
25 gathers; the early fur trade; and the industrial development
26 of natural resources.

Each period is characterized by distinct forms of land use, as well as prevailing attitudes and concepts concerning the land. Values which man attributed to land during the first two periods were reflected in unwritten policy respecting its use. During the third and current period a more formal kind of land policy, embodied in legal and administrative institutions has been introduced.

But today there is an additional force at work. It is a shift, or a return, to a set of values which brings into perspective social and cultural implications of development as well as economic and political considerations.

Here in the Yukon some of these values have been articulated by the Indian people in their document, "Together Today for Our Children Tomorrow". This document presented to the federal government in February, 1973, states the Indians' desire to ensure more control over their destiny and to increase understanding between the Indian and non-Indian cultures and is the basis of the Yukon Indian claim.

Between 1973 and 1975, the federal government and the Yukon Indians, represented by the Council for Yukon Indians met periodically to discuss the claim issue. By late 1975, a full time federal negotiator had been appointed and intensive negotiations began with the object of reaching an Agreement-in-Principle by March, 1976. This deadline was not met and in June of that year, negotiations were

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1 suspended.

2 During the subsequent six months, a
3 new senior representative for each of the three principles
4 in the claims process was named, that is for the Council for
5 Yukon Indians, the Yukon Territorial Government and the
6 Government of Canada, and in January of this year, the current
7 round of discussions started.

8 From the outset, we considered a
9 new approach to the resolution of the Yukon Indian claim. What
10 we said was, "let's drop the secrecy which enveloped previous
11 claims discussions and the confrontation approach implicit
12 in negotiations". Indeed, we said, "let's drop the entire nego-
13 tiating process".

14 In addition to removing the secrecy
15 and the adversarial atmosphere of negotiations, we also agreed
16 to treat the diverse elements of the claim sequentially and
17 as part of an evolving process, rather than attempting to
18 advance all of the elements at the same time. This latter
19 concept may have particular importance when considering the
20 linkages between the claim and the proposed pipeline, sir.

21 What we did when we replaced the
22 negotiating stance with the co-operative planning approach
23 was not simply to alter a mechanism. Rather, we gave full
24 force to the principle that a just settlement is only possible
25 if we recognize that the Indian claim springs from spiritual
26 and cultural bases which are simply not negotiable.

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1 What has been accomplished over the pa
2 past five months? First, it was agreed that the resolution of
3 the Yukon Indian claim will take place at the Planning
4 Council table. Next, the Planning Council, comprising repre-
5 sentatives of the the three principals described and adopted
6 as its charter, the co-operative planning process.

7 An integral part of the co-operative
8 planning process is the formation of working groups, under the
9 direction of the Planning Council, which address specific ele-
10 ments of the claim. These working groups are charged with
11 the responsibility for collecting data, developing background
12 documents, conducting research and producing recommendations
13 and suggestions for the Planning Council on each claim element.

14 These groups comprise representa-
15 tive of each party on the Planning Council, but they draw on
16 additional resources as well as the community at large in order
17 to provide the Planning Council with the best thinking possible
18 on any particular subject. As in the Planning Council,
19 emphasis is placed on free-wheeling discussion and debate with
20 a minimum of formality.

21 So far, first-round working groups
22 have been established to address the following subjects:
23 eligibility, land selection process, Aishihik compensation, side
24 issues - sir, I think there's a touch of irony in the fact that
25 when we began this process, we considered pipelines as being
26 the side issue ; corporate structures, education, government

1 structures.

2 As first-round working groups complete
3 their tasks and make their final reports to the Planning Coun-
4 cil, additional working groups will be established. In the
5 second round, working groups will consider: hunting and
6 trapping, fishing, land, programs, taxation, resource royalty
7 sharing, monetary compensation.

13 In considering each working group
14 report, the Planning Council prepares a position paper for
15 the consideration of our respective executives. Following
16 further refinement as a result of executive direction, the
17 Planning Council prepares a final paper and makes it public
18 in the form of a numbered document which subsequently will
19 form the basis of an element in the Agreement-in-Principle.

21 As the first step in the planning
22 process the Planning Council developed and agreed that the
23 goals of the Yukon Indian claim settlement should be to:

One. Restore, protect, preserve and
guarantee the identity of Yukon Indians and their freedom
to choose a way of life in harmony with their cultural

1 heritage.

2 Two. Provide land and other forms
3 of compensation to the Yukon Indian people to compensate them
4 for loss of lands traditionally used and given up under the
5 settlement so that they may have the opportunity to build an
6 economic base equal with that of other Yukon citizens.

7 Three. Provide the Yukon Indian
8 people with the incentive and opportunity to have their
9 rightful say, within the context of a one-government
10 structure, in the decision-making authority which governs
11 their everyday life.

12 In the context of these goals the
13 settlement should redistribute the rights which the Yukon
14 Indian people refer to as "aboriginal rights" by applying
15 them to specific land areas and safeguarding them in
16 specific social, cultural and economic provisions as agreed
17 to in a final resolution of their claim and confirmed in
18 appropriate legislation;

19 Assure that major grievances that
20 gave rise to the filing of the Indian claim are effectively
21 and finally resolved;

22 Identify and accommodate special
23 rights of Indians while ensuring that the legitimate rights
24 of other Yukon residents are taken into account and protected;

25 Four. Develop a one-government
26 structure which reflects and is responsive to interests of

1 all Yukon residents and which is compatible with the evolution
2 of government in the Yukon; and finally

3 Be generally consistent with the
4 Federal Government's approaches to the resolution of
5 comprehensive Native claims in Canada while recognizing that
6 the settlements should reflect certain regional differences.

7 In a third document the Planning
8 Council agreed upon a series of guidelines with respect to
9 eligibility criteria and accreditation and appeal procedures.
10 Based essentially on the ancestral concept, the eligibility
11 document finally removes the stigma of differentiation within
12 the Yukon Indian community of two classes, registered and
13 non-registered Indians, and defines who the beneficiaries
14 under the settlement will be.

15 The goals, the eligibility criteria
16 and indeed, the co-operative planning process have been
17 approved at the executive level and are the foundation for
18 our continuing work.

19 During this period much has also been
20 done toward bringing the public into the picture. Public
21 meetings have been held giving people an opportunity to
22 question members of Planning Council, to gain a better
23 understanding of the issues and to express their views on
24 specific points.

25 The advantages of the co-operative
26 planning process are that it:

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1 Requires the development of a set of goals
2 and produces an array of options for attaining them whereas
3 negotiations tend to inhibit open discussion and the exposure
4 of various possibilities;

5 Two. Minimizes the confrontation
6 implicit in negotiations and encourages participants to be
7 more inquiring and imaginative;

8 Three. Makes available a broad
9 spectrum of expertise for any given subject area;

10 Four. Provides the political levels
11 involved with the initiative to act, rather than having to
12 react; and

13 Finally, leads to improved public
14 awareness of the claims process, hence a better understanding
15 of what the implications are for Yukon society as a whole.

16 Our experience thus far leads me
17 to conclude that the co-operative planning process need not
18 be limited to the claims issue, but could be equally
19 effective in the broader context of Yukon development.

20 What have we learned since embarking
21 on this approach? First that the system works. Planning
22 Council sessions have been frank, wide open and of a high
23 calibre, and because they have been, they have also been
24 productive. The other thing we have learned is that if you
25 remove the secrecy shroud, you raise public understanding,
26 which in turn introduces a distinctly more positive attitude

1 toward the process. The success of the Indian claim
2 settlement will in large part be determined by the extent
3 to which the Yukon community at large comprehends the basic
4 principles. I feel some progress has been made in this
5 respect.

6 So much for where we are, what about
7 the future?

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1 During Planning Council sessions
2 in April, it was agreed that a Settlement Model paper
3 should be prepared which would illustrate the configur-
4 ation of a possible Agreement-in-Principle and outline
5 in general terms, the various elements contained therein.
6 It was also agreed that we should have such a document
7 appropriate for release to the public by the end of June.

8 This document would also go to
9 our respective executives, that is the Board of Directors
10 of CYI, the Executive Committee of YTG and the Minister of
11 Indian Affairs and Northern Development for comments and
12 direction.

13 The Planning Council would then
14 be in a position to prepare a draft Agreement-in-Principle
15 based on the revised Settlement Model paper by the early
16 Fall. This document would be as specific as possible,
17 but would not necessarily treat each of the elements in
18 equal detail. The document would in fact, reflect the
19 sequential concept referred to earlier.

20 Following discussion of this
21 draft by CYI in the communities, an Agreement-in-Principle
22 could be drawn up for signing by the Government of Canada
23 and the Council for Yukon Indians possibly early in the
24 new year.

25 And here, sir, is a point that
26 I should like to emphasize. It should be noted that by

1 the time the actual Agreement in Principle goes to the
2 various Indian communities for ratification, two rather
3 similar documents, that is the Settlement Model and the
4 draft Agreement-in-Principle, will have already been seen
5 and discussed in the communities. This fact should have
6 the effect of reducing the amount of time necessary for
7 the ratification process.

8 A second point is that the
9 Agreement-in-Principle would be built on a sequential
10 basis. This should have the effect of reducing the time
11 required to produce it, since the more complex elements
12 would be addressed in a general way only. One could
13 envisage the Agreement-in-Principle being quite specific
14 on some elements and less specific on others.

15 The Final Agreement, setting out
16 in detail, the terms of each element would follow the
17 Agreement-in-Principle by probably 12 to 18 months.
18 Based on the Final Agreement, a Yukon Indian Settlement
19 Bill would be drafted for consideration by Parliament.

20 The actual date by which such
21 legislation would be in place is not particularly important.
22 It is important to recognize that implementation of the
23 Settlement could also be achieved sequentially. Some
24 elements could be implemented before and after the
25 Final Agreement stage, while the implementation of other
26 aspects of the Settlement may not occur until after the

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1 Settlement Act is passed.

2 Settling the Yukon Indian claim
3 will not automatically solve the cultural, social and
4 economic problems of Yukon Indians. Hopefully, it will
5 contribute to a solution of those problems. It may, for
6 example, provide certain means for ensuring that Indian
7 people play a more effective role in the community at
8 large and thereby place them in a better position to
9 redress some of the imbalances which now exist.

10 One of the mechanisms for
11 ensuring more effective participation, the Planning
12 Council, has already been established. It provides for
13 the first time, a forum in which the Yukon Indians, the
14 Territorial and the Federal Governments can meet on a
15 continuing basis to consider areas of mutual concern.
16 As a result of the Settlement, other similar bodies with
17 more specific tasks, may be established.

18 For example, in Planning Council
19 discussions, land is frequently referred to as the corner-
20 stone of the settlement. When the Chairman of the Council
21 for Yukon Indians, Mr. Johnson, appeared before you
22 recently, he emphasized the importance of land to his
23 people.

24 The Agreement-in-Principle could
25 provide for the establishment of a land commission.
26 Initially, the Commission, which would comprise represent-

1 atives of the Yukon Indians and both levels of Government,
2 would be responsible for carrying out the land selection
3 process described in the agreement. It would seem to me
4 that such a body could also provide a very useful function
5 in the area of land use planning and a forum for the
6 orderly allocation of land for various purposes, both in
7 the immediate and the long term. The latter becomes
8 particularly important when a region is faced with major
9 developments.

10 It is significant that in your
11 deliberations of the social and economic aspects of the
12 Alaska Highway Gas Pipeline, sir, you have asked for a
13 review of the current status of the Yukon Indian claim.
14 In presenting that review to you, I have described processes
15 the applicability of which you may wish to consider in
16 terms of the proposed pipeline and the planning which
17 would be necessary to minimize any detrimental effects
18 and ensure orderly development.

19 Thank you.

20 (BRIEF BY JOHN K. NAYSMITH, MARKED AS EXHIBIT NUMBER 45

21 MR. CHAIRMAN: Thank you, Dr.
22 Naysmith, for that interesting submission.

23 Mr. Goudge, I take it we are now
24 going to adjourn for lunch. Would you like to say a
25 word about how we proceed after lunch.

26 MR. GOUDGE: Well, sir,

1 subject to the Board's views, I would propose that we
2 come back and see how far we can get along with the cross-
3 examination of Dr. Naysmith and leave sufficient time to
4 deal with the presentation by Mr. Williams, who will be
5 here for the Yukon Conservation Society and then leave
6 some little time for adjournment around, I would hope,
7 3:30, if we could aim for that time.

8 I'm in your hands, sir.

9 MR. CHAIRMAN: Do you have a
10 proposal on -- is 2:00 o'clock satisfactory in terms of
11 that time table to all concerned? All right, we'll
12 stand adjourned now until two o'clock.

13 (PROCEEDINGS ADJOURNED)
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1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT.

2 MR. CHAIRMAN: Are we ready
3 to proceed now.

4 MR. GOUDGE: I think we are
5 sir. Mr. Naysmith has concluded his presentation and
6 what we have on the schedule for this afternoon is the
7 cross-examination of Mr. Naysmith, then following that,
8 the presentation by Mr. Williams -- a policy presentation
9 on behalf of the Yukon Conservation Society.

10 Mr. Williams is paddling his way
11 here and will be here in due course I think.

12 If we could commence then with
13 Dr. Naysmith and I'll simply go through the list once
14 again, calling first on Mr. Hudson for Foothills Pipelines.

15 MR. HUDSON: I have no
16 questions, Mr. Chairman, thank you.

17 MR. GOUDGE: Next, Mr. Joe,
18 Council for Yukon Indians.

19 MR. JOE: No questions.

20 MR. GOUDGE: Next, Mr.
21 Morrison, Whitehorse Chamber of Commerce, Mr. Ellis or
22 indeed, Mr. Kent for the Yukon Transportation Association;
23 Yukon Association of Municipalities in the City of
24 Whitehorse; Mr. Ogilvie for the Yukon Chamber of Mines;
25 Ms. McPherson for the Yukon Association of Social Workers;
26 Mr. Templeton is not here; Mr. Bayly for the Yukon Con-

1 servation Society.

2 -- The immutable Mr. Bayly.

3 MR. BAYLY: I think you got
4 me into this, Mr. Goudge.

5 CROSS-EXAMINATION BY MR. BAYLY:

6 Q Mr. Naysmith, I just
7 have two areas of questions for you. I'm referring to
8 Page 12 of your evidence sir and with regard to the
9 passage of legislation implementing land claims, is it
10 your opinion that the passage of -- if we can call it a
11 Yukon Indian Land Claim Act -- is an essential part of
12 the settlement and implementation of the co-operative
13 development process?

14 DR. NAYSMITH: Yes, we look
15 upon the ultimate act -- settlement act -- as being an
16 instrumental part of the whole process because it will
17 then embody in legislation, which is the best guarantee
18 that the Indian people will have, that those agreements
19 that have been reached, will indeed be fulfilled. The
20 commitments will be fulfilled.

21 The second part of your question
22 I think was, is the Act -- would the Act be instrumental
23 in terms of implementation and my answer to that would be
24 no, not necessarily, that parts of the agreement could be
25 implemented prior to the passage of an Act.

1 Q So, it's too early to say
2 just what areas the Act itself will cover and what will be
3 left to other forms of implementation of the philosophy, if we
4 can call it that, of the co-operative development.

5 Well, what is the act going to cover,
6 in other words?

7 A Well, the Act will cover all
8 the elements, at least, as we have described them in this
9 paper, but it will not necessarily cover some of the adminis-
10 trative arrangements that could be put in place prior to, even
11 the drafting of the Bill.

12 Q Now, one of the phrases that
13 is often used by not only the Council for Yukon Indians but
14 some of the other native groups that have been involved in
15 the Inquiry processes surrounding applications for northern
16 pipelines, is that there should be no pipeline before settlement
17 and implementation of land claims. We had this explained to
18 us by Mr. Johnson, at the beginning of the week, that although
19 it's very difficult to say at what point in implementation this
20 or similar scaled development would be acceptable to native
21 people, that it isn't sufficient just to sign a piece of paper
22 with native peoples and then sign another piece of paper with
23 pipeline applicants and that all the problems will be solved.
24 Is that something that you could agree with?

25 A Well frankly, I never con-
26 sidered that kind of an agreement that would be signed between

1 I think you've said, between the Indian people and the appli-
2 cant.

3 Q No, I didn't - if I said that
4 then I didn't mean it, I meant that an agreement presumeably
5 will be reached, which may its fruitition in a piece of legis-
6 lation or in a document analogous to a contract or both, be-
7 tween the Government of Canada and the native peoples of the
8 Yukon, but that, I gather from Mr. Johnson, by itself does not
9 mean that the people are prepared to stand back and say, "now
10 is the time that we give up all claims to participating in,
11 if we want to use your phrase, co-operative development. That
12 they may not even then be ready for participating in this
13 scale of development.

14 A Even if, indeed, there was
15 an agreement signed between the Indian people and the Govern-
16 ment of Canada?

17 Q Yes.

18 A Well, I think that perhaps
19 his concern is that as we have expressed here, that the very
20 fact that there is an agreement, or indeed that there's a piece
21 of legislation reflecting an agreement, is not the end of the
22 story. The job still has to be done after that. It just sets
23 up the mechanism of those legislative or legal devices that
24 will help the process and I think we've expressed that concern
25 too.

26 Q Now, you've prepared an

1 Appendix B to your evidence and in that appendix, in that
2 model, if you like, for participation in the process theco-op-
3 ertive development or planning process , there is a portion
4 called "Public Participation", or "Public", actually. Do
5 you envisage the public as being represented only by the Govern-
6 ment of Canada or by other organizations or government bodies?

1 I'm sorry. You mean
2 the public in this process has being "the public" all of the
3 Yukon community for example, and what we have done with the
4 first three documents is made them public, released them
5 through the media, and have indeed held public meetings where
6 the Yukon community at large has had an opportunity to question
7 us, the Planning Council, on those documents. So we mean
8 "public" in the broadest sense of the word.

9 Q So that you would be
10 pleased to see individuals or groups making suggestions that
11 may involve either a reaction or a thought on the part of
12 principal negotiators being the Government and the Native
13 people's representatives.

14 A Yes, we do.

15 Q On page 6 of your evidence,
16 a number of items, and they continue on to page 7 and 8, which
17 represent the goals of the settlement. I take it that
18 when you refer to such things as the identity of the Yukon
19 Indians, you are referring not just to the communities or
20 the color a person's skin, but to a set of values that people
21 hold dear, and the expression of those values.

22 A Yes.

23 Q I take it, when you're
24 talking about what the goals of the settlement are, that
25 although item 2 says that you want to assure ^{that} major grievances
26 are effectively and finally resolved, that you would contemplate

1 that there was a resolution of problems, major and minor, will
2 be an ongoing thing long after an agreement has been signed
3 by the Vukon Indians and the Government.

4 A Yes. We think that the
5 implementation of the settlement is something that will take
6 some time. Some parts of it can be handled prior to the
7 final settlement. Some parts that won't be -- it's a very
8 complex issue, and I think that such things as government
9 structures - something that won't be implemented totally for
10 several years.

11 Q But the cooperative
12 development is something you see as growing after the settle-
13 ment has been consummated in the signing of an agreement,
14 rather than something that will disappear after the major
15 grievances have been either resolved or structures put into
16 place to help resolve them.

17 A That's correct. That's--
18 the second half of this paper deals with the future, and it's
19 the central thrust. The second half of the paper is that
20 the Planning Council concept is not something that should
21 cease with the settlement.

22 Q One of the concerns that
23 was expressed by Alaskan Native people, was that although they
24 had signed a settlement agreement, which basically pleased
25 them, but with the pipeline coming along as soon after that
26 settlement as it did, they felt ^{there} was neither the time nor

Mr. [redacted]
[redacted]

1 the manpower to implement many of the programs that would
2 have liked to have seen go into effect after the signing of
3 the agreement, and in fact, they feel many of them have been
4 delayed because of the pipeline. Do you see that possibility
5 bility if a pipeline is built through the proposed route
6 through the Yukon, prior to some or perhaps as a deal
7 of implementation of the cooperative development programs that
8 may come out of the settlement?

8 So I think that, although it's a
9 possibility, it's right, that we have, we will minimize
10 that possibility, with the approach that we are taking.

11 Q Those are all the questions
12 I have. Thank you very much, sir.

13 MR. GOUDGE: Mr. Horton for Government
14 of Yukon?

15 MR. HORTON: I don't have any
16 questions.

17 MR. GOUDGE: Mr. Taves for Canadian
18 Arctic Gas?

19 MR. TAVES: I have no questions at
20 this time, but I would like to reserve the right to ask
21 further questions should Mr. Naysmith be back.

21 further questions should Mr. Naysmith be asked.

has indicated

22 MR. GOUDGE: I think Dr. Naysmith/that
23 he would be good enough, if Counsel wished, to return at a
24 mutually convenient date to respond to further questions.

25 Do I have that right, Dr. Naysmith?

26 DR. NAYSMITH: Yes, that's correct.

1 MR. GOUDGE; Then if there are any
2 members of the public who would like to ask Dr. Naysmith
3 any questions?

4 CROSS-EXAMINATION BY MR. GOUDGE:

5 MR. GOUDGE: Well, sir. I just have
6 a few questions, reserving my right as Mr. Taves did to
7 prevail on your goodwill Dr. Naysmith to return.

8 You begin your presentation by
9 speaking of three historical phases of land use in the Yukon
10 Territory. First is the prehistoric period of hunters and
11 food-gatherers, the second, the early fur trade era, and
12 the third, the industrial development of natural resources.
13 I take it to be fair to that, you mean by those categorizations
14 to highlight of some of the activities in each particular
15 historic phase. Is that right?

16 DR. NAYSMITH: Yes, that's correct.

17 Q You're not suggesting that
18 currently, the only kind of land use that one need focus on
19 in the Yukon is industrial development of natural resources?

20 A That's right. There is no
21 doubt that there is a renewable resource concern or component
22 of land use presently in Yukon.

23 Q Yes. You then set out for us
24 the building blocks that, if I can call them that, that may
25 go into the claims process as it moves along, and I take it
26 Appendix "A" is the representation of that. Is that so?

1 A Yes. That's correct.

2 Q And if I have it right, the
3 building blocks on the bottom two lines are effectively the
4 components that the planning process at this stage sees will
5 ultimately make up the claim when it is worked out?

6 A At this stage, yes.

7 Q Yes. Pausing there for a
8 moment, I take it a major dimension of the claims process as
9 you see it now, is its evolutionary dimension?

10 That is, it may evolve from time to
11 time to take into account new matters, new subject matters?

12 A That's correct.

13 Q So that when you say that
14 these are the building blocks at this time, it's quite
15 conceivable that there may be others^{that}/arise in the future
16 which become building blocks. Is that right?

17 A Yes.

18 Q Now, in terms of the ones that
19 you have dealt with most. I take it from your evidence that
20 eligibility is one that the planning process has dealt with
21 in some kind of detailed sense. Is that so?

22 A Yes.

23 Q And has the planning process
24 arrived at some sort of eligibility definition?

25 A Yes it has.

26

1 Q Sorry, what's that?

2 A It's in Document Number 3
3 of the Planning Council and, in very brief and simple terms,
4 it's based on the ancestral concept which is that one that has
5 been put forward by the Yukon Indians, and it says that a per-
6 son who has 25 per cent Indian blood and who is resident in
7 Yukon between 1898 and 1941, or their decendents, will be
8 elibible for the benefits arising from the settlement.

9 Q And I take it that descrip-
10 tion of eligibility now becomes a part of the draft Agreement-
11 in-Principle, if I can put it that way, which will ultimately
12 go through the ratification process?

13 A That's right.

14 Q Now, in addition, there are
15 two or three other major building blocks that have held the
16 attention of the planning process. Is that correct?

17 A Yes.

18 Q And could you identify them
19 for us please?

20 A One of them is the land sel-
21 ection process. We have a working group that is very active
22 in that area. Corporate structures is another. Government
23 structures is another and one which is somewhat peripheral to
24 the main settlement, the Aishihik compensation, which is very
25 important issue, in terms of Yukon Indian people, is also under
26 active consideration.

1 Q Now, those then would be
2 the four additional major building blocks. What about monetary
3 compensation?

4 A It definitely will be. We
5 don't have a working group that's addressing that at the
6 moment I should have added though, sir, the education working
7 group, I omitted that one. It's active.

8 Q Now, you said, I think, that
9 in your evidence, that you have high hopes that the planning
10 process will be able to come up with this settlement model
11 paper by the end of June, is that so?

12 A Yes.

13 Q And, it will, as I understand
14 it from what you say, enunciate in greater or lesser detail
15 the outlines of each of the building blocks that we've talked
16 about.

17 A That's correct.

18 Q Some of them, I take it,
19 will not be capable of outline, really, at all, because you
20 haven't had a chance to get at them. Is that so?

21 A That's right.

22 Q Yes. Others may be difficult
23 to outline because, while you've had a chance to get at them,
24 it's difficult to come to any kind of consensus about them.

25 A At this date.

26 Q At this date, yes. And if

1 I suggested to you that their monetary compensation might fall
2 in the first category, that is a building block that you
3 won't be able to describe too precisely because you haven't
4 had a chance to get it. Is that a reasonable, would you agree
5 with that?

6 A Yes, that's a possibility.

7 Q And that government structures
8 because of the complexity of the issue, may fall into the
9 second category. One that is difficult to describe in detail
10 because of the difficulty coming to consensus, though you've
11 been dealing with them.

12 A That's right, yes.

13 Q Now, on the other hand I
14 take it the eligibility building block may well be described
15 in detail in this settlement model, because you have had a
16 chance to deal with it and because you have been able to reach
17 a consensus about it.

18 A Yes.

19 Q Yes. Then, the next part of
20 the process, as I understand it from you, is that perhaps two
21 things going on at the same time. A preparation of the draft
22 Agreement-in-Principle, and at the same time, further work on
23 the settlement model to refine some of the building blocks that
24 aren't yet spelled out with satisfactory definitions.

25

26

J.W. Newsom
Cr Ex by Goudge

1 A That is correct.

2 Q Yes.

3 And your estimation is that the
4 draft agreement in principle that you referred to would be
5 as you say, perhaps prepared by early Fall?

6 A Yes.

7 Q I take it, it again
8 will have a variation of detail in describing the building
9 blocks?

10 A Yes.

11 Q Those that you've been
12 able to get at in detail will be set out in detail, those
13 that you haven't, won't?

14 A That is correct, yes.

15 Q And as I understand it,
16 this process as it goes along, will result in hopefully,
17 the addition of detail to each of the building blocks, both
18 at the Settlement Model stage and at the Agreement-in-
19 Principle stage?

20 A That is right, yes.

21 Q And is it fair to say
22 then, that there may be an Agreement-in-Principle in draft
23 in the Fall, but that it will be added to and refined and
24 rendered more detailed in an evolutionary way as time passes,
25 following its initial release?

26 A That is the way we see

C.R. Naverstick
Cr Ex by Goudge

1 it now, yes.

2 Q And I suppose it is
3 difficult for you to say at this stage, when some of the
4 other building blocks that will be only generally described
5 in the Agreement-in-Principle will get more precise definition?

6 A Yes it is. If I can
7 just go on for a moment, we would like to see that, however,
8 that each element in the Agreement-in-Principle fairly well
9 spelled out at the time we were drafting the Final Agreement.

10 In other words, what I'm saying,
11 we have that period of time following the initial Agreement-
12 in-Principle which may be a five element Agreement-in-
13 Principle in specifics and eight other elements very general,
14 develop that during the period between first Agreement-in-
15 Principle and the Final Agreement.

16 Q Well, let me take a
17 specific example to see if I can get a better understanding
18 of it myself. You indicated to Mr. Bayly that Government
19 structures is a complicated issue and will require a great
20 deal of work. I take it I understand that much.

21 A That is correct.

22 Q So that the Agreement-
23 in-Principle that will be in draft you hope in the Fall, may
24 very well enunciate nothing more than some bare bones of
25 possible Government structure?

26 A That is right. Let's

J.K. Naysmith
Cr Ex by Goudae

1 take your point with the Settlement Model paper, it may simply
2 state an objective or a goal that Yukon Indian people,
3 mechanisms should be set in place so that Yukon Indian people
4 can participate more effectively in Government.

5 Q Without saying anything
6 more precise than that?

7 A Yes.

8 Q And it may well be put
9 that way in the draft Agreement-in-Principle in the Fall?

10 A Possibly. Our hopes
11 would be that we would be able to spell that out a little bit.

12 Q Yes, I understand and
13 as you move along, you will attempt to spell out the nature
14 of those mechanisms in a good deal more detail?

15 A That is correct.

16 Q And I take it you hope
17 to have a fairly full detailed description of -- to continue
18 this example -- Government structures, by the time you come
19 to spell out the final agreement?

20 A That is right.

21 Q Is it fair to say that
22 Government structures is one of the toughest areas that
23 you've set out for yourselves in the Planning process?

24 A I'm not sure it is one
25 of the toughest. It is perhaps one of the most interesting.
26 It is complex. There are many facets to it but I think there

1 ... elements that are tougher.

2 Q It'll take -- put it
3 ... will it take the most work?

4 It will be one of those
5 that will. Yes, there are the ones that will take a
6 good deal of work and that is one of them.

7 Q Yes and I take it, the
8 corollary of that is that these two or three may well be
9 the last to get particular definition?

10 A Yes, final, total
11 definition.

12 Q Yes.

13 What would the other two or
14 three be if I asked you that?

15 A Well, I think that
16 until we've had an opportunity to explore them all, I
17 couldn't answer your question fully. One other that will
18 take some time to spell out completely, is the land element.

19 Q Do you mean by that,
20 land selection?

21 No, I don't mean land
22 selection. I mean the land element per se. If you look at
23 Appendix A, you'll see that in first round we talk about the
24 land selection process.

25 Q Yes.

26 A And then in second

J.K. Mayerith
Cr Ex by Goudge

1 round, we talk about land and there is a distinction.

2 Q Perhaps you could tell
3 us what, in your view, the distinction is.

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1 A The process really deals with
2 just that. The mechanism for considering land in Yukon and
3 the process by which Yukon Indian people will actually select
4 those lands. It is a rather mechanical device.

5 The land element which comes up in
6 the second round is a much more substantial one. It deals
7 with quantities of land, kinds of land, and the use to
8 which the land would be put, the controls over those lands.

9 Q And which particular pieces
10 of land?

11 A Not necessarily. That again
12 is something that would fall out of the selection process,
13 but the land element in second round really deals with the
14 nature of the control, the amounts of land, the uses to which
15 those lands would be put, the nature of the title that the
16 Indian people would hold those lands in. These kinds of
17 questions."

18 Q I see. Can you identify any
19 others that fall into this category of being complex or
20 taking time to work out besides the two land and government
21 structures?

22 A I think some of the programs
23 will be rather complex. The one dealing with hunting and
24 fishing, we have two there, one on trapping and hunting, and
25 one on fishing. I think the hunting and the fishing may be
26 somewhat difficult to finalize."

1 Q Now in terms of the time
2 estimates that you put in your paper, Dr. Naysmith, that
3 includes your estimate of what we heard Mr. Johnson call the
4 ratification process?

5 A Yes.

6 Q The ratification process is
7 not part of the planning group's operation, it's obviously
8 to be conducted entirely by the Council for Yukon Indians?

9 A That's correct.

10 Q So, in a sense you have no
11 input into the determination of the amount of time the
12 ratification process will take?

13 A No, that's right. But one
14 shouldn't minimize the effort which will be required on our
15 side to convince our executive that what we've come up with
16 is logical and is worth signing.

17 Q You're going to go around to
18 your communities too, I take it?

19 A That's right.

20 Q Then, Dr. Naysmith, you are
21 familiar with the Council for Yukon Indian position that any
22 pipeline process must await the settlement of the claim and
23 the implementation of at least some of it's major aspects.
24 Is that -- ?

25 A Yes, I am familiar with it.

26 Q And, I don't know if you were

1 here, but you have perhaps had a chance to read Mr. Johnson's
2 evidence to this Inquiry earlier this week. Have you had
3 a chance to do that?

4 A I've had an opportunity to
5 look at it, yes.

6 Q Just let me ask you generally
7 what your comment would be on his time estimate of seven to
8 ten years to accomplish the aim that I have just recited?

9 A Well, in order to implement
10 the entire settlement as we envisage it at the moment, I
11 think that seven to ten years is not out of keeping. But that --
12 I'm dealing strictly with the implementation of the settlement.

13 Q Now, in terms of some of the
14 more important parts of it, parts of the settlement may be
15 implemented earlier than that ten year time period to take
16 the longest time frame. Is that right?

17 A Yes, we've suggested here
18 that some parts of the settlement could be implemented indeed
19 before the final agreement.

20 Q The land selection process
21 might well be able to get under way. Is that so?

22 A We think that that's the
23 logical time to begin the land selection process is between
24 the agreement in principle and the final agreement.

25 Q Yes. So that at least some
26 of the land that will ultimately be held in whatever kind of

1 title by the native people can be set aside right off the bat?

2 A That's correct.

3 Q You will recall if you have
4 read Mr. Johnson's evidence that land is one of the two key
5 elements that he sees to be central to the settlement and
6 implementation process. Is that right?

7 A Yes.

8 Q The other is the area of
9 participation in government structures. Is that right?

10 A Yes.

11 Q And he indicated, I think,
12 that it would be necessary for that process, that is, for
13 the participation in government structures to be implemented,
14 in his view, before a pipeline could be built.

15 In your view what kind of time frame
16 would be necessary to accomplish that?

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1 A The implementation of
2 the government structure's element, is that your question?

3 Yes. Let me -- perhaps
4 so that I can express it a little better, Dr. Navsmith, let
5 me read you a question and answer of Mr. Johnson. I asked him
6 on Monday at page 596 this question, "The second thing I
7 think you mentioned was some participation in the government
8 structure of the Yukon. Is that an element that you see as
9 being one of those that I think you call crucial for imple-
10 mentation before there would be a pipeline?" He answered,
11 "Yes, this is what I envision."

12 And if I asked you, Dr. Navsmith,
13 how long you think it would be before there could be an
14 agreement in principle on the detail of participation in
15 government structure and the implementation of that, could
16 you give me a guess how long that would take?

17 A Yes. Some parts of the
18 government structures element should be implemented immediately
19 following the agreement in principle because one of those would
20 be
21 /for example the Land Commission, or whatever it will be called,
22 that mechanism set up to carry out the land selection process.

23 But you see the complexity of the
24 question, because that's only one kind of government structure.
25 Now at the other end of the spectrum is that government struc-
26 ture that deals with constitution development of the North,
political evolution of the North. And Indian people want to

1 have their share in that say, too. And that's something
2 that is not going to be settled in the next few months or maybe
3 the next couple of years.

4 O I take it that if the
5 full building block, if I can put that way, including the
6 land control mechanism and everything in between to the other
7 end of the spectrum, the political future of the Territory,
8 if that building block is to be fully described in the claim
9 and implemented, we're looking at probably at a full ten
10 years, eh?

11 A Yes, I would guess
12 ten years is about right.

13 Q Now, those are the questions
14 I have, sir, given that you've been good enough to indicate
15 that you'll be back.

16 A Yes, sir, that's correct.

17 O So I'll conclude my
18 questions now - it's almost quarter to three. Thank you.

19 MR. CHAIRMAN: Thank you. Dr.
20 Naysmith no substantive questions, but just a point on
21 documents available to the Board.

22 On page 2, you refer to "Together
23 Today for our Children Tomorrow."

24 I'm not sure that's been entered as an
25 exhibit. Has it Mr. Goudge?

26 MR. GOUDGE: I don't think it has

1 sir.

2 MR. CHAIRMAN: Either now or
3 Monday, could that be arranged?

4 A Yes, it certainly
5 could be arranged.

6 MR. CHAIRMAN: Now additional
7 documents that are in the public sphere that has been consi-
8 dered by Planning Council, there are some of those, could
9 they also be supplied to the Inquiry?

10 A Yes, they can be,
11 immediately.

12 MR. CHAIRMAN: Thank you very much
13 Dr. Naysmith for your appearance today, and for your under-
14 taking to reappear for further cross examination at a later
15 date.

16 (WITNESS ASIDE)

17 MR. GOUDGE: Then sir, we ask --
18 I'd ask Mr. Bayly to continue and bring Mr. Williams into the
19 glare of the spotlight here.

20 MR. BAYLY: Before we begin the
21 evidence of Mr. Williams, there are a number of documents
22 that I have left with Miss Hutchison and not for the purpose
23 that they be part of the submission of Mr. Williams' today
24 but for the information of other participants as to the in-
25 volvement of the Yukon Conservation Society on the pipeline
26 question in the past. They are available here, and certainly

1 Mr. Williams could answer questions upon them. -- I'd better
2 make sure that he's got one.

3 I don't think any of these documents are
4 /surprising
to the other participants as they in the public domain and
5 form part of proceedings of another Inquiry.

6 Mr. Williams, if we could start
7 with your evidence, then, please?

8 MARTYN WILLIAMS: Sworn.

9 MR. BAYLY: Could you please state
10 your name and occupation for the Inquiry?

11 MR. WILLIAMS: My name is Martyn
12 Williams, and I'm presently employed as an unassigned teacher at
13 Whitehorse Elementary School.

14 Q What is the purpose of
15 your presence here today?

16 A I'm here in my capacity
17 as President of the Yukon Conservation Society to present
18 the position of the Yukon Conservation Society in relation
19 to Foothills (Yukon) Limited's application to build a pipeline
20 along the Alaska Highway, and to the consideration of a
21 lateral pipeline built along the Dempster Highway.

22 Q Now, can you tell me
23 what is the Yukon Conservation Society, please?

24 A The Yukon Conservation
25 Society was founded in 1968 with the aims to secure the
26 wise use, protection and preservation of scenic, scientific,

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1 recreational, educational, wildlife and wilderness value of
2 the Yukon Territory.

3 The Society currently has a member-
4 ship of over 100, the majority of the members typically having
5 a professional occupation and a good educational background.
6 Most have been residents for a number of years. Most have
7 chosen to live in the Yukon because of the unique wilderness
8 character of the area.

9 They appreciate the area and have
10 made a commitment to it. The Society receives a grant of
11 \$3,000 from the Minister of Indian and Northern Affairs each
12 year which we use largely in operating a small office, the work
13 of the Society usually being done by volunteers.

1 The Society is fortunate in having within its membership,
2 experts in the field of socio-economic and environmental matters

The Society is engaged in a number of projects of public awareness and information, offering volunteer lectures in conjunction with such organizations as the YWCA, by Society members on a variety of topics throughout the summer and winter. We are in contact with other Yukon public interest groups and various levels of government in promoting the aims of the Society.

10 Much of the work of the Society is
11 in making positive comments, rather than negative or restric-
12 tive statements you're about to hear today.

13 Q Why is the Yukon Conserva-
14 tion Society presenting evidence to the Inquiry here today?

15 A The Society has been follow-
16 ing closely the progress of the various pipeline proposals to
17 move Prudhoe Bay and Mackenzie Delta gas and has been attempt-
18 ing to evaluate the environmental and socio-economic conse-
19 quences both within and without our region of the Arctic Gas,
20 El Paso, Foothills Maple Leaf and Foothills (Yukon) Limited
21 projects. We considered the National Energy Board hearings in
22 Whitehorse to be of great importance in the ultimate selection
23 of a route and the terms and conditions that are applied to
24 that route. Because of that, we devoted most of our energies
25 in the last nine months towards those hearings, as well as all
26 of this year's grant. Since the announcement of this Inquiry,

1 we have again spent much time in preparing for these hearings.

2 Q What is the position of the
3 Yukon Conservation Society on the proposals to move Prudhoe Bay
4 gas to the United States of America?

5 A The Yukon Conservation Society
6 is not in favour of the Arctic Gas proposal to build a pipeline
7 across the northern Yukon because of the possible environmental
8 consequences of this proposal. The concept of a pipeline
9 following the route of the Alaska Highway was endorsed by this
10 Society as being possibly less damaging environmentally than
11 the Arctic Gas proposal. We feel that the corridor concept,
12 central to the project outlined by Foothills (Yukon) Limited,
13 would be less damaging environmentally than the Arctic Gas
14 proposal. The Yukon Conservation Society has decided, however,
15 that the Foothills (Yukon) Limited proposal, as outlined, is
16 unacceptable for four reasons.

17 .. In the first place, the socio-econo-
18 mic and environmental research of Foothills, as will be illus-
19 trated by following witnesses has a lack of substance and
20 abounds in mistakes and inaccuracies, often leading to wrong or
21 misleading conclusions. The Yukon Conservation Society feels
22 that the research done is totally inadequate for an evaluation
23 of the project to the Yukon.

24 Secondly, the route selected is un-
25 acceptable from an environmental standpoint because some of
26 it passes through wilderness areas, a fact that is inexcusable

1 when a transportation corridor is located in the same region.

2 Thirdly, the Foothills (Yukon) Limit-
3 ed application has failed to demonstrate to our satisfaction
4 what the social and economic consequences of construction will
5 be.

6 Lastly, the Yukon Conservation
7 Society has seen on supply and demand of gas in U.S.A., --
8 I'm sorry, I'm going to start that again, sorry. Lastly,
9 the information the Yukon Conservation Society has seen on
10 supply and demand of gas in the U.S.A. substantiates our view
11 that sufficient consideration has not been given to alternate
12 energy sources, energy conservation measures and of the econo-
13 mics of Alaska gas, when moved to southern systems, has not
14 been accurately tabulated and forecasted.

15 This leads us to question whether
16 there is, in fact, a need at this time for a pipeline across
17 the Yukon."

18 The obvious possibility of a Dempster
19 Highway lateral pipeline to connect the Mackenzie Valley --
20 Mackenzie Delta gas with southern Canada at some future date,
21 is under consideration by Foothills (Yukon) Limited and the
22 federal government. The Yukon Conservation Society is in op-
23 position to the completing of the highway because of the largely
24 unknown environmental effects of the highway, particularly on
25 the Porcupine Caribou herd, and the apparent lack of purpose
26 of the highway and the social costs of the highway. We are

1 not alone in this opposition as a number of groups have also
2 requested a delay in completion, some being Old Crow Band
3 Council, Council for Yukon Indians, Fort MacPherson Settlement
4 Council, Yukon Legislative Assembly, Inuvik Chamber of Commerce,
5 Canadian Nature Federation, Sierra Club, Wilderness Society,
6 Alaska Conservation Society, Friends of the Earth, and the
7 Audubon Society.

8 The response of the federal govern-
9 ment to this concern has been largely one of ignorance and
10 apathy. A pipeline following the same route could further
11 impact a possibly declining Porcupine Caribou herd and would
12 be opposed on principle by the Society until research indica-
13 ted that no environmental and social effects would be evident.

14 This Society feels that the future
15 of the Yukon has in its value a wilderness area for the rest
16 of North America and the world, and that in order to preserve
17 this wilderness value, the Yukon should be looking towards
18 control groups and economic stability.

19 The Yukon Conservation Society is
20 of the opinion that an Alaska Highway Pipeline may be the
21 trigger for other huge developments in the Yukon, and the pos-
22 sibility of a Dempster Highway pipeline lateral, a proposed
23 hydro-electric development, a looping of the proposed pipeline,
24 an oil line down the Dempster Highway, development of the Eagle
25 Plains gas field, and development of a Snake River Iron Reserve,
26 with accompanying railway, have all been mentioned in the press

1 or at this Inquiry recently. These would destroy the social
2 and environmental fabric of the Yukon as it is known today.

3 The Yukon Conservation Society is
4 opposed to such a scale of development. We feel development
5 of the Yukon should be planned in a manner consistent with
6 Territory's social and environmental climate.

1 This society sees the settlement
2 and implementation of Indian land claims as a step towards
3 the stability and that settlement and implementation of
4 land claims is a prerequisite of pipeline certification.

5 If an Alaska Highway pipeline is
6 constructed as proposed, the Yukon economy will experience
7 such rapid growth, that when construction ceases, the boom
8 ends, there will be a climate to sustain the growth rate
9 to find other projects to keep the economy moving, large
10 scale projects that may have to be enticed here with the
11 offer of cheap power and cheap resources.

12 The rest of the Yukon may find
13 itself locked into a growth rate that will remove many of
14 the benefits that residents live here for. We agree whole
15 heartedly with Mr. Justice Thomas Berger when he says,

16 "I am convinced that non-renewable resources
17 need not necessarily be the sole basis of a
18 northern economy in the future. We should
19 not place absolute faith on any model of
20 development requiring large scale technology.
21 To develop a diversified economy, will take
22 time. It will be tedious, not glamorous
23 work. No quick and easy fortunes will be
24 made. There will be failures. The economy
25 will not necessarily attract the interest of
26 the multi-national corporations. It will be

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1 regarded by many as a step backward."

2 With the evidence I have heard
3 here or the evidence I have heard, has led me to the conclusion
4 that such a program is the only one that makes sense.

5 MR. FAYLE: Mr. Chairman, that
6 concludes the direct evidence of Mr. Williams and he is now
7 available for cross-examination.

8 MR. GOUDGE: Turning to our
9 list once again sir, first would be Mr. Hudson for Foothills
10 Pipeline -- oh, sorry -- yes, let me go in the other order
11 since there does seem to be a certain adversity of interest
12 here between Yukon Conservation Society and Mr. Hudson's
13 client.

14 I would have us begin with Mr.
15 Joe for the Council of Yukon Indians.

16 CROSS-EXAMINATION BY MR. JOE:

17 Q Mr. Williams, there are
18 a number of areas that I would like you to possibly elaborate
19 on at this time but as I understand it, you'll be coming
20 back as a policy witness on a subsequent panel, is that
21 correct?

22 MR. WILLIAMS: Possibly, I
23 actually doubt it. I think we're going to have other
24 witnesses presenting other evidence.

25 MR. GOUDGE: I took it sir, from
26 our discussion I had with Counsel before lunch, that it would

1 be possible for the Society to present policy witnesses
2 capable of answering policy questions, although Mr. Williams
3 may not be among them since he will not be in the territory,
4 is that correct, Mr. Bayly?

5 MR. BAYLY: That is my under-
6 standing, Mr. Chairman, that Mr. Williams is going to be in
7 Greenland when the formal hearings reconvene. There will be
8 witnesses produced who are directors of the Society who can
9 speak to the same questions that could be put to Mr. Williams,
10 but if Counsel wish to present any questions to him specifi-
11 cally, I encourage them to do it today because I anticipate
12 he won't be back in the formal hearings.

13 MR. JOE: In that case, Mr.
14 Chairman, on Page 2 of your evidence, Mr. Williams, where
15 you outline four reasons as to why the Foothills Yukon
16 Limited proposal is presently unacceptable and the first one
17 you state that there has been insufficient time in which to
18 research and the research that has been done is totally in-
19 adequate.

20 Is there -- in your estimation,
21 what is the time that is required to research adequately
22 the socio-economic and environmental impact in the Yukon?

23 A Our Society
24 has been looking at that in terms of individual areas and
25 each area is very different in terms of the amount of time
26 that it needs -- some areas appear to need quite a long time

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1 or certainly quite a lot of money spent on estimating the
2 impact, but I'd hesitate to put a time on it.

3 Q And in that paragraph --
4 the first part of that paragraph -- you've also stated that
5 the Foothills application have abounds in mistakes and
6 accuracies. Do you have any available blatant mistakes
7 or inaccuracies which would reflect upon that statement?

8 A Again, other panels
9 will be addressing this. I've got a couple of examples
10 from the socio-economic -- sorry, the environmental state-
11 ment that we presented to the National Energy Board that might
12 be applicable.

13 Foothills has missed in its
14 environmental statement, a sheep herd, a Caribou wintering
15 range, you know, things like that. They said for instance,
16 that --

17 .
18 MR. HUDSON: I wonder, Mr.
19 Chairman, dealing with. I'm in no position to answer Mr.
20 Williams at this time and he won't be back and it's our
Environmental --

21 MR. WILLIAMS: I think from
22 our Society point of view, the environmental aspects clearly
23 affect members of the Society and members of the Yukon
24 public and if Foothills is going to miss a sheep herd, then
25 I feel that that is going to affect native people and white
26 people in the Yukon.

1 MR. HUDSON: I quite understand Mr.
2 Williams concern, there are other places I understand that
3 it can be done, it's just a matter of perhaps --

4 MR. CHAIRMAN: I take it Mr. Williams'
5 last comment was to the effect that there was an impact on
6 social and perhaps economic matters, and in that sense we
7 are interested in environmental concerns, but without prolonging
8 the debate, I believe, also Mr. Williams these are offered
9 by way of one or two examples that came to mind, that you
10 indicated that additional examples would be available at
11 a later stage?

12 A Yes. Both in socio-economic'
13 and environmental.

14 MR. JOE: And the second reason you gave
15 is that the present route, as put forward by Foothills, is
16 unacceptable. Are there any specific areas which the
17 Foothills(Yukon)route is unacceptable in?

18 A Again, an environmental panel
19 will be addressing this, but certainly the Jake's Corner
20 area where the Highway goes one way and the pipeline suggested
21 routing goes quite a number of miles away from the Highway,
22 and then in the Whitehorse area, -- there are quite a number
23 of areas that the environmental panel will be dealing with.

24 A VOICE: Have you ever driven up
25 that Highway?

26 MR. CHAIRMAN: If I may suggest sir,

1 after the intervenors have completed their line of questioning
2 there will be an opportunity for members, other members in
3 the room to address questions to Mr. Williams.

4 MR. JOE: On page 3, your third
5 paragraph in which you discuss the Dempster lateral in
6 relation to such things as the Porcupine Caribou Herd, and
7 as well, the Dempster Highway. Have there been any studies
8 done on the affects of the Dempster Highway to your knowledge?

9 A Our Society has been
10 attempting to find out the affects of the Dempster Highway on
11 the Porcupine Caribou Herd, and the Federal Government hasn't
12 done any studies so far to show what the effect of the road
13 will be on the caribou. They are attempting to draw up a
14 management plan, but that is not necessarily a study looking
15 at the effects on the caribou.

16 Q So I take it then, to your
17 knowledge, you are the only group which is presently doing
18 the research on the effects of the Dempster Highway.

19 A The Yukon Game Branch is also
20 undertaking research in connection with the inter-relationship
21 between caribou and the Highway.

22 MR. JOE: Those are all the questions
23 I have, Mr. Chairman.

24 MR. GOUDGE: Sir, the Whitehorse
25 Chamber of Commerce?

26 Yukon Transportation Association?

1 Yukon Association of Municipalities and
2 the City of Whitehorse?

3 Yukon Chamber of Mines?

4 Yukon Association of Social Workers?

5 Mr. Templeton's not here.

6 Mr. Horton for the Government of Yukon?

7 MR. HORTON: Mr. Chairman, I think
8 that any questions that I do have to address to this witness
9 can equally well be addressed to the subsequent panel
10 representing this Society, and therefore I'll pass for today
11 in view of the time constraints you're operating under today.

12 MR. GOUDGE: Thank you, Mr. Horton.

13 Mr. Taves for Canadian Arctic Gas?

14 MR. TAVES: No questions at this time.

15 MR. GOUDGE: Then are there any
16 members of the public -- I take it there is one at least
17 would like to ask questions of Mr. Williams.

18 Sir, if you would like to ask a
19 question, would you come forward please. Why don't you just
20 stand beside Mr. Horton, sir, and if you would be good
21 enough to state your name, and ask your question to the
22 witness please?

23 CROSS-EXAMINATION BY MR. POTENTIER:

24 MR. POTENTIER: My name is Ray Potentier,
25 and I come from the, well pretty well the Yukon, for eight
26 years anyway. And this gentlemen here, is speaking as a child

1 I think. A student from most probably U.B.C., I can't tell.
2 How does he know what's happening to the caribou or anything
3 like he's talking like that?

4 MR. GOUDGE: Mr. Williams, would you
5 care to respond to that question?

6 MR. WILLIAMS: Yes, certainly. I
7 personally am not a caribou expert, but what the Society --

8 MR. POTENTIER: I realize that, that's
9 for sure.

10 A -- is that it goes out and
11 it asks caribou experts and it first became concerned about
12 caribou and the Porcupine Caribou Herd by reading the
13 Berger Transcripts and reading the evidence of a number of
14 renowned caribou experts at the Berger Inquiry. And then
15 it went to its own Game Branch and started asking questions
16 about caribou. The Society organized a seminar on the
17 Dempster Highway and we had witnesses from Arctic Gas and
18 also the Yukon Game Branch there to present evidence, and it
19 became quite obvious from the statements of those biologists
20 that the Dempster Highway was indeed a great threat to the
21 Porcupine Caribou Herd.

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1 MR. BAYLY: Mr. Chairman, there is
2 a copy of the proceedings of that seminar, which we would be
3 pleased to file with the Inquiry, if that's your wish.

4 MR. CHAIRMAN: Thank you, Mr. Bayly.

5 MR. GOUDGE: Sir, if you have -

6 MR. POTENTIER: I'll stop where I am.
7 Somehow I just don't feel too good.

8 MR. GOUDGE: Are there any other
9 members of the public that would like to ask questions of
10 Mr. Williams?

11 MR. POTENTIER: I've got some answers
12 for you tomorrow, I'll tell you.

13 MR. GOUDGE: Then, sir, I'll defer
14 my questions as well - oh, I'm sorry. I got to Mr. Hudson
15 too early and I missed him, sorry.

16 CROSS EXAMINATION BY MR. HUDSON: Mr. Williams, I under-
17 stand that other members of the Board - do I understand cor-
18 rectly have assisted and taken a part in the preparation of
19 this statement and therefore are in a position to answer ques-
20 tions?

21 MR. WILLIAMS: Yes.

22 Q I see, and just from your
23 point of view then, the statement on Page 2, "The Yukon
24 Conservation Society feels that the research done it totally
25 inadequate for an evaluation for the Yukon...". I wonder if
26 let me know, from your own point of view, whether the

1 Alaska Highway Pipeline Panel Report has had any effect on that
2 opinion that the Society gives there? That is commonly known
3 as the Templeton Report, I suppose.

4 A We were in fact referring to
5 the Foothills' research in making that statement.

6 Q Taking the sentence if
7 you could, yourself, has the Alaska Highway Pipeline Panel
8 Report provided you with anything more?

9 A I think the information pre-
10 sented by the Carson Templeton Panel, to my mind anyway, I
11 don't know about the rest of the directors, highlighted a num-
12 ber of areas that still needed to be investigated. A large
13 number of areas that still needed to be investigated, so I
14 feel that that statement still stands.

15 Q Without change?

16 A Well, another comment would
17 be that it's highlighted for many members of the Society the
18 difference between the evidence that Foothills has presented
19 and the evidence of an independent group. I think this is
20 the area of confusion for some members of the Society, in that
21 we find it very difficult to evaluate what's going on when
22 Foothills says this thing's going to have one impact, research
23 we do indicates another, and research that another group, indi-
24 cates yet another.

25 Q It is a problem. Would you,
26 at the risk of being interrupted by anybody, would your comments

1 apply also to the environmental portion of the Templeton Report?

2 A Yes, I think so. I'm not
3 totally familiar with that report, but I feel that that again
4 outlines a number of areas for research.

5 Q On the third paragraph, the
6 first, well, I guess it's the second full paragraph, do I
7 understand the position being taken there to be that -- do I
8 understand the position taken in the second paragraph to be that
9 the Conservation Society is investigating the possibilities
10 that the gas supplies there are more properly used in Alaska
11 and that for that reason they shouldn't be taken to the south
12 48, is that the position you've taken?

13 A No, that's not at all. What
14 we're trying to say is that the economies of Alaska gas, when
15 moved to southern systems has not been accurately tabulated and
16 forecast. What we're talking about is the cost of the gas.
17 We're not convinced that - or we haven't received any informa-
18 tion that shows us actually what the cost of the gas is going
19 to be in the U.S., and therefore that leads us to the other
20 conclusion that you mentioned.

21 Q And insofar as many of the
22 other items, the panel, in some cases, are better able than
23 yourself, I believe you said, to answer, such as the relocation.

24 A Yes, that will be dealt with
25 by an environmental panel.

26

1 MR. HUDSON: Thank you, Mr. Williams,
2 I'll reserve my cross-examination for the later witnesses.

3 MR. GOUDGE: As will I, sir.

4 MR. CHAIRMAN: Thank you very much
5 Mr. Williams for your presentation.

6 (Witness aside)

7 MR. GOUDGE: That would, Mr. Chairman
8 and Members of the Board, would conclude our work for today
9 and for this week, and I've reviewed the schedule with the
10 parties and we're all aware of the work load in front of us.

11 MR. CHAIRMAN: Thank you Mr. Goudge.

12 I do have a few remarks that I would
13 like to make at this point by way of closing statement.

14 In closing this first phase of the
15 formal hearings, I wish to make a few remarks which may be
16 of interest to the participants in this Inquiry, and
17 provide some guidance with respect to preparation of
18 submissions for the second phase of the formal hearings
19 commencing here in Whitehorse on June 27th.

20 The first matter is that the Board has
21 noted some confusion in the press, and elsewhere, on the
22 nature of the task that has been assigned to this Inquiry.
23 The suggestion has been made, for example, that we are asked
24 to do in three months what it took the Mackenzie Valley
25 Inquiry three years to do.

26 That would be a tall order. However,

1 as even a cursory glance at our terms of reference must make
2 clear, our assignment is quite different.

3 Mr. Justice Berger's terms of
4 reference directed him to inquire into and report upon the
5 terms and conditions that should be imposed in respect of a
6 right-of-way for the proposed Mackenzie Valley Pipeline,
7 and the second volume of his report, addressing itself to
8 detailed terms and conditions, is expected shortly.

9 In contrast, the devising of specific
10 terms and conditions for the construction and operation of a
11 pipeline forms no part of the mandate of our own Inquiry.
12 Our terms of reference make it clear that this task is to
13 be undertaken by a further inquiry to be established, if
14 and when the Government of Canada reaches a decision in
15 principle approving the Alaska Highway route.

16 A further difference arising out of
17 the two-stage process contemplated in respect of the Alaska
18 Highway route is that our report on socio-economic impact is
19 to be preliminary in nature only, with the final socio-
20 economic impact statement to be produced by the subsequent,
21 second-stage inquiry.

22 A third point of distinction is that,
23 unlike the Mackenzie Valley Inquiry, we are not charged with
24 responsibility for reporting on environmental matters. That
25 is the subject of consideration by the Environmental
26 Assessment and Review Panel, and our Inquiry is concerned

1 with environmental matters only that they relate to the
2 social and economic areas.

3 Consistent with the preliminary nature
4 of the socio-economic statement we are to prepare, our
5 terms of reference direct us to identify principal, and I
6 stress principal, socio-economic implications of the proposal
7 and possible courses of action to meet major concerns
8 identified and correct major deficiencies in the
9 application.

10 Our schedule of hearings over the
11 coming weeks is very heavy, and when the formal hearings
12 resume here in Whitehorse time will be at a premium.
13 Accordingly, the Board hopes the participants in this Inquiry
14 will keep the nature of our mandate in mind in deciding
15 in what detail to make their submissions or to conduct their
16 cross-examinations.

17 Further, participants in the Inquiry
18 may find it useful to be informed that at this stage of the
19 hearings the Board has identified four areas as ones in
20 which it has a high interest, and on which it will particularly
21 welcome further submissions.

22

23

24

25

26

First is the question of the Yukon Indian Claim. We would welcome additional submissions on the question of what steps, if any, could be taken beyond approval in principle of the Alaska Highway route without prejudicing a just settlement or implementation of such a settlement and within what time frame?

Second, we would find it useful to have more information concerning the experience with social and economic impacts in jurisdictions other than the Yukon where projects of a comparable nature have been undertaken. Reference has been made for example, to Alaska, northern British Columbia, Alberta and Ontario. We would be pleased to receive further submissions concerning comparability, or lack of it, with respect to these or other areas.

Third, we invite participants to address themselves to the question of appropriate mechanisms for planning and regulation aimed at minimizing undesirable social and economic impacts. We would particularly welcome submissions on how such planning and regulatory bodies might be structured. I might add that we hope the submissions made to us on this subject will include one from the Government of Yukon.

Fourth, we would be interested in obtaining views concerning methods of ensuring that long-term benefits to the Yukon would be maximized through

1 appropriate revenue-gathering or other measures.

2 The above list is, of course,
3 not intended to be exhaustive of what the Board sees as
4 important issues at this early stage of our hearings.

5 I would like to thank all par-
6 ticipants in this Inquiry for the excellent co-operation
7 accorded to the Inquiry throughout this initial phase of our
8 hearings.

9 On Monday, May 30th, we commence
10 a three-week period of hearings in communities throughout
11 the Yukon. As I've stated on other occasions, this Board
12 views as perhaps its most important task, the responsibility
13 of reporting on the attitude of Yukoners to the pipeline
14 proposal. For that reason, we hope this opportunity to come
15 forward and express views or ask questions, will not be
16 missed.

17 The formal hearings will now stand
18 adjourned until June 27th.

19 (PROCEEDINGS ADJOURNED).
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GOVT PUBNS

ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE
LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS
AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE
INTERESTS IN THOSE AREAS OF TERRITORIAL LANDS IN THE
YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONSTRUC-
TION AND OPERATION OF THE SAID NATURAL GAS PIPELINE
AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND
INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-
ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD

K.M. LYSYK, Esq., O.C. CHAIRMAN

WILLARD PHELPS, Esq. MEMBER

MRS. EDITH BOHMER MEMBER

P R O C E E D I N G S

VOLUME 10

BEAVER CREEK, Y. T.

MAY 30TH, 1977

COMMUNITY HEARING

343.093
A47F58
Vol. 10

CANADIAN ARCTIC
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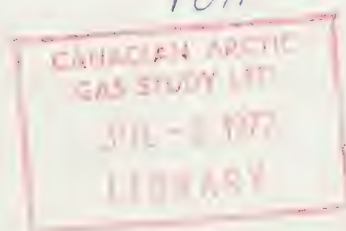
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Vol. 10



1 Beaver Creek, Yukon Territories

2 May 30th, 1977

3 COMMUNITY HEARINGS

4 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

5 MR. CHAIRMAN: Ladies and
6 gentlemen, I'd like now to open this hearing on the Alaska
7 Highway Pipeline proposal. Let me begin by introducing
8 members of the Board.

9 My name is Ken Lysvk and my
10 colleagues are Edith Bohmer and Willard Phelps, both of whom
11 are Yukoners.

12 As you know, the Government of
13 Canada proposes to make a decision concerning what pipeline
14 route, if any, it will approve to move gas from the Arctic
15 through Canada to the United States and the government has
16 stated that it proposes to make its decision this August.

17 This inquiry was established to
18 assist the government in making its decision and in keeping
19 with the timetable that the government has set for itself,
20 we have been directed to submit our report to the Minister by
21 the first of August. Now, we know that some people feel that
22 the government should not attempt to make its decision in
23 principle that quickly. They feel that more extensive
24 studies should be completed than can be carried out before
25 the time for making the decision in August.

26 On the other hand, others agree

1 with the position the government has taken to the effect that
2 a decision should be reached on the basis of the best infor-
3 mation available before the United States makes its own
4 decision as to a pipeline route and the United States as you
5 know, proposes to make that decision this Fall, that is
6 whether it will opt for the so-called all-American route --
7 the El Paso route -- or one of the other of the possible
8 routes through Canada.

9 The job of this inquiry is to
10 provide the Government of Canada with some information which
11 might assist it in making that decision in principle in
12 August.

13 With respect to the information
14 that we are to provide, let me just remind you that our terms
15 of reference tell us to prepare a preliminary report on
16 the social impact and the economic impact of such a pipeline.
17 It will be a preliminary report in the sense that the
18 Minister has made it clear that if the Alaska Highway route
19 is the one which receives approval, in August, then the
20 Government will establish a further inquiry for the purpose
21 of developing a final statement on the social and economic
22 impact and for the purpose of assisting the government in
23 developing the detailed terms and conditions for construction
24 and operation of the pipeline.

25 One of our tasks according to our
26 terms of reference is to advise on the arrangements for such

1 a further second stage inquiry. Another thing our terms of
2 reference tell us to do is to identify areas in which
3 additional information should be provided by the pipeline
4 company, by Foothills, and also to identify areas in which
5 further studies may be required.

6 So, in a nutshell, this Inquiry
7 represents the first stage of a two-stage process with the
8 second stage commencing if and when the Government of Canada
9 makes a decision in principle to approve the Alaska Highway
10 route. Our role is to provide the best information and
11 advice we can to assist in the first stage of that decision-
12 making process and to provide advice on how the second stage
13 should be conducted.

14 In that connection, one other
15 thing we're to do and perhaps it's the most important thing
16 that we're asked to do, that is to report on the attitudes
17 of Yukoners to the pipeline proposal and that of course, is
18 what these pipeline hearings in the community -- so-called
19 community hearings -- are all about. We've scheduled hearings
20 in almost all of the communities in the Yukon. We're going to
21 be in seventeen places in all. This is the second in the
22 series of community hearings.

23 First, the formal hearings as you
24 all no doubt know, were happening in Whitehorse earlier this
25 month. Those formal hearings with one exception. We had
26 on one of the evenings in the second week, a community hearing

1 where members of the public came out on occasions such as this
2 to express their views and ask questions about the pipeline.
3 So this the second in a series of the community hearings and
4 the first outside of Whitehorse.

5 There are representatives here
6 from the pipeline company, from Foothills, Mr. Burrell, Mr.
7 Becker and Mr. Byers are here to answer your questions con-
8 cerning the pipeline proposal. I'm going to ask Mr. Burrell
9 in a moment just to say a few words about how Beaver Creek
10 itself would be affected, according to the company's plans if
11 a pipeline were to be constructed. Then after that --
12 immediately after that, I'm going to invite those present to
13 come forward to ask their questions or to make their sub-
14 missions. In that connection, just let me say with respect
15 to the arrangements, as a record is being kept of everything
16 that is being said at these hearings, I will ask each person
17 who proposes to ask a question or to make a statement, to come
18 forward either to the table where the microphones are or to
19 the floor microphone in order that the court reporters there
20 can keep track of what's being said.

21 We'll ask that witnesses making
22 a statement as opposed to just asking a question, witnesses
23 making a statement either be sworn or affirmed. The statement
24 along the same -- in accordance with the same procedures that
25 we follow in the formal hearings.

26 So if I may then, I'll just ask

1 Mr. Burrell if he wishes to make some -- a few comments about
2 the pipeline proposal and specifically, in connection with
3 how he sees Beaver Creek being affected.

4 MR. BURRELL: May I come to the
5 map?

6 MR. CHAIRMAN: Please do.

7 MR. BURRELL: The purpose, of
8 course, of the Alaska Highway Pipeline project is to take gas
9 from Prudhoe Bay to market areas in the United States. It
10 will come through Alaska along the Alyeska right-of-way and
11 along the Alaska Highway -- follow the Alaska Highway basically
12 through the Yukon, across British Columbia, and across Alberta
13 and then tie into facilities in the United States.

14 In the Beaver Creek area which is
15 -- Beaver Creek is here -- and it's Milepost 15 on the pipe-
16 line alignment; Milepost 0 is the Alaska-Yukon border. This
17 section of the pipeline -- I'm sorry -- the section of the
18 pipeline which will go through close to Beaver Creek will
19 be constructed in the winter of 1981 which -- and it will be
20 constructed in the months of January, February and March.

21 The pipeline is 48 inches in
22 diameter and it will be buried. The pipeline will be about
23 a mile and a half or two miles to the east of Beaver Creek.
24 The construction camp for the workers -- to house the workers
25 that will construct this section, will be fifteen miles down
26 the road or up the road I guess, towards Whitehorse anyway,

1 from Beaver Creek and that will have about 750 or 800 men and
2 as I said, this section will be constructed -- the section by
3 Beaver Creek -- will be constructed in about three months, so
4 that means that any point along the pipeline, there will be
5 pipeline construction activity for about a week.

6 The closest compressor station
7 to Beaver Creek is 25 miles -- and that's on also in the
8 direction of Whitehorse -- that compressor station will be
9 constructed in the years 1981, 1982 and will be in service
10 on January 1, 1983.

11 In the -- for the balance of the
12 construction period, the construction will be elsewhere than
13 Beaver Creek, for instance down in the summer of 1980, it will
14 be in this area here -- the Whitehorse area, I believe. Now,
15 in the operations and maintenance phase which is scheduled to
16 -- first gas deliveries are scheduled to flow on October 1,
17 1981, Foothills would like to put an operating and maintenance
18 base in Beaver Creek.

19 We estimate that there will be
20 twenty-two employment opportunities in Beaver Creek. We would
21 want to construct an operating and maintenance base and also
22 build some houses in here to house our personnel. Now, not
23 -- a number of these jobs in the operating and maintenance
24 phase will have to be filled by people with previous pipeline
25 experience but we estimate that about half or about eleven
26 of the positions can be filled by people that do not have

1 previous pipeline experience and we are a part of a training
2 program which once approval is received for us, if we do
3 receive approval, to construct the pipeline -- once that is
4 received, then we would expand our program and take Yukon
5 residents into Alberta and British Columbia and train them
6 on pipeline facilities in those two provinces and then when
7 the pipeline became operational, the people would move back
8 into, say Beaver Creek, or we have similar facilities in Haines
9 Junction, Whitehorse, Teslin and Watson Lake.

10 These people would come back and
11 take on jobs on the pipeline, having had pipeline training
12 experience in southern Canada. In addition, we have studied
13 the possibility of providing natural gas to Beaver Creek and
14 our studies show that natural gas can be made to Beaver Creek
15 at a price which will be lower than what the cost of fuel oil
16 will be. I believe that's all I have to say right now.

17 MR. CHAIRMAN: Okay, before
18 issuing a general invitation for those to come forward, I
19 understand a Mr. Joe Jack wishes to make a statement at this
20 time.

21 JOE JACK, Sworn.

22 I am proud to say that I am a
23 descendant of generations of chiefs throughout the territory.
24 I have relatives that cover almost all of the interior of
25 Yukon. Three generations before me, Copper Chief, ruled from
26 a mineral rich Copper River area in Alaska. People as far as

1 Stewart River came to trade goods for copper knives, arrow-
2 heads and other hunting necessities.

3 This man would have fine sons
4 that would replenish offsprings in other villages throughout
5 the Southern Tutchone linguistic region. The oldest Copper
6 Joe, migrated to the Selkirk Band; Copper Charlie journeyed
7 to Carmacks; Copper Jim went to Aishihik area, and Copper
8 George Joe settled in Kluane region to become chief in
9 Burwash and Copper Jack inhabited Lynx City which is now
10 abandoned. The children of the latter moved to form the
11 community of Snag when the airport was built, then forced to
12 move when the airforce personnel pulled out.

13 My grandfather on my mother's
14 side controlled the land surrounding Lake Laberge. His name
15 was Chief Jim Boss. His wife, a Tlingit was from Dyea,
16 Alaska and their children, grandchildren and great grand-
17 children are found throughout the Southern Yukon and
18 the panhandle of Alaska.

19 Before the coming of the White-
20 man, the Yukon Indians were nomadic, forced to move due to
21 the climate and terrain, yet these Indians were friendly and
22 wars hardly occurred. Then the Whiteman came and this was
23 the beginning of the end for our heritage and culture.

24 Indian people used to laugh and
25 sing happy songs as they played the "stick game" which is a
26 form of gambling. This game now can only be remembered by a

1 handful of elders.

2 Hunting was a function that was
3 a necessity, but very little of the carcass went to waste.
4 Wasteful slaughtering did not happen until licensed meat
5 hunting days came into being. Hunters became the butchers for
6 the sake of trying to support a family in the Whiteman's
7 world. Indian people were supposedly the ones that had the
8 highest priority when subsistence hunting, fishing and trapping
9 is concerned, but today, this priority seems to be very
10 opposite.

11 When registration of trap lines
12 first came into effect in 1950/51, the Department of Indian
13 Affairs forced the government to start a system in which the
14 Indian people would have some protection of their rights to
15 the land. This was due to the growing complaints that White-
16 man were infringing onto trapping areas. Today as the regu-
17 lation reads, is that if trap lines are not utilized without
18 reasonable excuse, the director of game has the power to
19 cancel the certificate of registration of such lines. I found
20 that many Indian people today do not understand why rules to
21 protect their rights are now used against them.

22 Hunting has always been the Indian
23 way of life since the Bering Strait Bridge. Instead of
24 setting priorities for subsistence hunting, the Government
25 seems to be catering to the non-resident hunter. Outfitters
26 can book as many hunters as they want and there is no quota

1 on big game taken. Guides whom many are Indians, are paid a
2 wage that has stayed mobile for the last fifteen years. Who
3 is making all the money? When restrictions are made in the
4 different hunting zones, who suffers the most?

5 The Duke Meadow is biologically
6 unique to the Yukon because the plant communities in this few
7 acres of land are that of the prairie grassland biome. This
8 area also has been a traditional gopher hunting area of the
9 Burwash people. Recently, this area has been leased out to
10 an outfitter for grazing. How has the precedent been set by
11 the Territorial Government to make this decision? Were the
12 people in Burwash consulted? The answer is no. Will a fence
13 come up as in many parts of the southern territory to keep
14 the horses in and the people out?

15 The Yukon River is the main
16 corridor in which most of the Chum and Coho salmon travel in
17 order to reach their spawning grounds in the many tributaries
18 throughout the territory. About half of the total commercial
19 fishing licenses sold last year were issued for the Dawson
20 City vicinity. There has been complaints that very few or
21 no salmon at all has been caught in local traditional
22 fishing waters further upriver and this makes some people
23 wonder why.

24 I remember, as a child, my parents
25 fishing with gill nets on Wellsley Lake and catching lake
26 trouts bigger than king salmon. This lake now is classified

1 as a "trophy lake". You must fish with barbless hooks, you
2 are allowed two fish a day and any fish under twenty pounds
3 must be returned to the waters.

4 Since I cannot afford to hire an
5 airplane and the distance to the lake is around twenty miles
6 from the nearest road, is it now really feasible for my time
7 and effort to return to a traditional fishing spot for the
8 enforced rewards?

9 Maybe an old cabin is just an
10 old cabin to a White person, but to an Indian family, it was
11 fulfillment of love and joy for many generations. Moss
12 chinking in the walls could be remembered as a childhood
13 chore. Homemade furniture brings back a forgotten art. The
14 gravesites are sacred and bring back vivid memories of un-
15 written history.

16 Was this respected in the Village
17 of Aishihik? How do the people from this village feel after
18 becoming dependent on the airforce and then to accommodate
19 the Government was forced to move and become a conglomerate
20 of the Champagne Band in Haines Junction? Have any of the
21 people been compensated for the loss of a way of line
22 and a crucial part of their identity? What form of compen-
23 sation will bring back what is now under water? Are Indian
24 trappers consulted or compensated for damages incurred from
25 mineral exploration activities on such trap lines? The
26 answer again is no. Is rapid development that important to

1 oversee the original land -- is rapid development that
2 important to oversee the original people of the land?

3 Religion is a part of every man's
4 purpose on this planet. Some refer to the Bible, some relate
5 to Budah and others, different forms of worship. The Indian
6 people have a religion that is many centuries old.

7 The "Shaman" or "Medicine Man" is
8 highly respected as is the priest in the Catholic religion.
9 Many of the powers do not come in the form of a human figure,
10 but in the form of animals. Thanks is given to our spirits
11 for the joy and happiness of living. The setting sun tells of
12 good days ahead, this is happiness. If berries are plentiful
13 and the water is clear and cold, this is joy.

14 If the warmth of sharing ones
15 self with others is not kindness, then what is kindness?
16 Because we pray to our spirits, does this make us pagans? We
17 need our own religion to be a people. This is probably the
18 most important foothold of our identity and culture. Through
19 White education, it has rapidly been destroyed. Young Indian
20 people today must realize to grasp what is left from our
21 elders to fulfill a vacant hold in our well being and we will
22 get back our religion.

23 The education today is a major
24 factor why we are a dying race. I myself, cannot speak my
25 own language. Young children that are taken away from home
26 at an early age for ten months each year, for 10 to 12 years,

1 will surely be influenced by their immediate environment.

2 When punished for speaking your
3 Indian tongue, condemned for relating to our spirits, scorned
4 for eating our food and laughed at for walking funny, there
5 comes a time when this person will try to act like a brown
6 white man. We will then begin to think that our ancestors
7 are backward bushmen and yet cannot really relate to the
8 Whiteman's world.

9 We are trying now to implement
10 some of these concerns in the present educational system as
11 a first step in the future of our children. Are the white
12 people ready to accept this? Was this shown in the community
13 of Haines Junction? When will we be given a chance to become
14 a people again?

15 Representation in the present
16 Territorial Council for Indian people is almost nil. An
17 influencing factor that has created the situation is a ratio
18 between "transient" voters to Yukon residents.

19 Most transient voters for example
20 are employed through various government agencies that spend
21 from one to three years in the territory before returning
22 south. This unfair democracy must stop. I can't exactly
23 jump on an airplane and head south if I had had enough of
24 the Yukon. This is our home and we must stay and suffer the
25 consequences.

26 Personally, I would like to know

1 how many Indian families, the present MLA member for this
2 constituency, has visited since the last election. The reason
3 is why -- that not one family of the many I have visited
4 before the Inquiry started, has stated that she even stopped
5 to say hello, and I wonder why. Are we that different? Is
6 not our concerns her concerns?

7 These are just some of the things
8 that have happened in our past, what the present situation
9 is and what must happen for Indian people to once again become
10 part of the nation.

11 If implementation of these greatest
12 concerns are not understood or want to be understood by other
13 Canadian people, then maybe the only alternative is to have
14 a separate government. The issue at this point is not a pipe-
15 line but the survival of people and a way of life.

16 I have seen the great coastal
17 plains in the Northern Yukon. I have hiked or rather
18 stumbled through the tussocks and jumped ditches that form
19 the polygonal land-patterns. I also have watched black
20 guillemots in the roofing of the old abandoned church on
21 Hershall Island. Walked on an ice pack as ring seals bobbed
22 in the cold salt water. I have smiled at an Eskimo family,
23 walking through the summer heat waves at Shingle Point,
24 carrying buckets in which to gather tundra berries.

25 I have heard the Beaufort Sea
26 splashing the spits near the Babbage, Blow and the Firth.

I would like to end this presentation with a story about the -- what I think anyways --

1 the way I can interpret the present situation of the proposed
2 Alcan Pipeline and this is a story of a gopher.

3 Its made its home in the valley
4 bottom where the soil was hard and sturdy. Prairie sagewort
5 which is its main food, covered the meadow surrounded by
6 trembling aspen on the hillsides and a small creek silently
7 flowed by.

8 One day a lone beaver journeyed
9 this waterway and seeing the resource of the aspen, decided
10 that this was the place for him, so he built himself a dam
11 that formed a pond and a lodge was built within this pond.
12 One day while feeding on sagewort, the gopher caught a
13 glimpse of a silent shadow overhead. Quickly he retreated
14 into his burrow where there was temporary safety.

15 The eagle knew that sooner or
16 later the gopher would be forced to come out to eat, so he
17 just caught an uplift and circled about waiting.

18 The beaver who had become
19 accustomed to the gopher over the time, at this point was
20 sort of leary about putting up a stand to protect the gopher

21 The Inquiry, we are that gopher,
22 and maybe for the sake of this story, we would let the beaver
23 to remain anonymous.

24 Thank you.

25 MR. CHAIRMAN: Thank you Mr.
26 Jack. Could I ask then, anyone else who has a question to ask

1 of the company representatives or a statement to make, to
2 please come forward.

3 Could I ask you sir, to begin
4 please by giving your name.

5 BILLY BLAIR, Sworn.

6 MR. BLAIR: Billy Blair, I've
7 been here forty-five years in the Yukon. Is that all?

8 MR. CHAIRMAN: Yes, just to
9 have your name on the record please.

10 MR. BLAIR: Okay. I would
11 like at this time to express my opinion concerning the pro-
12 posed pipeline along the Alaska Highway corridor through the
13 Yukon Territory. This may sound like a necro of the
14 Northern natives, what I have written here.

15 As you know, the Council for
16 Yukon Indians represent all people of Indian ancestry in the
17 Yukon. We support the policy of no pipeline until such time
18 as the outstanding Indian land claims are settled or a greater
19 part of these land claims are implemented. We want develop-
20 ment yes, but only if the natives have a real say about what
21 that development will be and how that development will take
22 place.

23 We are not transients. We have
24 no plans to move outside when we make our bundle. We plan
25 to live here and die here in the Yukon. Also by this involve-
26 ment of all developments, we can pave the road for the next

1 younger generations in the Yukon, so that the natives can
2 stand up and raise their standard of living with the rest
3 of non-natives of Canada.

4 Some of the reasons of no pipeline
5 are:

6 (a) Social impact. There will be
7 greater increase of alcoholism, crime, family breakdown,
8 violence or just a starting wave.

9 (b) Cultural impact. More and
10 more of the Indian history questions and traditions will be
11 lost as more non-natives will come to the Yukon.

12 (c) Environmental impact. Any
13 large development will bring more and more hunters, once the
14 animals population is gone, then there will be -- we will be
15 the ones to suffer because not only for subsistence use,
16 animals are the part of our heritage and culture.

17 (d) Economic impact. Since very
18 few Indian people have the technical knowledge, there will be
19 no benefits, but must remain here to suffer the high costs.

20 There must be a postponement of
21 a gas pipeline or construction of any other large development
22 including hydro power dams. This postponement must be for
23 at least ten years. We must have a land settlement first.
24 Before any kind of a large development takes place, all aspects
25 of impacts must be very carefully studied. Impacts like
26 social, environmental, economics and fish and game studies.

1 sons over here that he worries about and if he
2 dies, the son will take the trap lines over, he will sign
3 it to them and make a living out of it. He -- maybe twenty
4 years from now, after the pipeline -- maybe the pipeline will
5 go through and then the boys will have -- after the pipeline
6 goes through, what will the boys do, where will they get their
7 job. The only thing they can do is go out and trap. That's
8 the only way they can make a living.

9 I don't think and he says he
10 doesn't want the pipeline through right away. He wants the
11 land settlement and he's not agreeable for the pipeline to go
12 through because he's worrying about all the fur and all the
13 moose -- all the food that they can have, that the pipeline
14 might spook it away.

15 I guess that's all he's going to
16 say. He's not feeling too good and he say's he doesn't feel
17 like talking too long. Thank you.

18 MR. CHAIRMAN: Thank you. We
19 have lots of time. If he has something to add later in the
20 afternoon or this evening, that would -- just let us know.
21 That would be fine.

22 David Johnnie?

23 DAVID JOHNNIE, Sworn.

24 MR. JOHNNIE: My name is David
25 Johnnie and born and raised in the Yukon.

26 I know a lot of people want this

Also, safeguard studies on natural and unnatural disasters relating to a gas pipeline, such as frost heaves, fires, earthquakes, flash floods and land slides.

We must never forget the Yukon is still, up to this time, not so polluted that it is not beyond repair. Why should we have this great land polluted by outsiders for their own gain at the expense of ruining the environment? Let us think of the future generations who must live with the decision that is made today.

Thank you.

MR. CHAIRMAN: Thank you Mr. Blair. May I ask if anyone else -- yes?

I'm not sure that I caught the names. Could you please --

JENNY SANFORD, Sworn.

MS. SANFORD: I'm Jenny Sanford and I'm a daughter of White River Johnny and been married in the U.S. and I speak for my dad.

Daddy, they're going to make a pipeline through here. He says that he doesn't want the pipeline right away and he wants the land settlement and I guess he's worrying about his trap line. He doesn't want to lose his trap lines and all the animals there.

He worries about if the pipeline goes through and then there will, you know, scare all the animals away like moose and all the fur and he has a lot of

1 pipeline to go through because in Beaver Creek, there's no un-
2 employment, there is only government and private operators.

3 I know we have to have the land claim through first to
4 get some people in like he said, they're going to get the
5 pipeline in and then they're going to take some people out and
6 train them, so why don't they do that right now, while we
7 get the land claim over with. Get people trained so they
8 know what to do with the pipeline, because people up here
9 don't know how to build a pipeline.

10 If the pipeline goes through here,
11 they're going to bring their own crews up here, maybe we'd
12 be for labour or maybe running the cat or something like that
13 but they'll be getting all the higher prices -- all the high priced
14 jobs on that and maybe it'll take four or five years to get
15 to know the business of that pipeline.

16 One thing I don't like about
17 that is they have -- what I heard is forty miles they have
18 these stations -- pump stations. I'm just wondering if they
19 can put it a little further apart or something if after that
20 land claim goes through and then we can control our people
21 in this land. Again my dad's -- he's been living here --
22 he's seen a road come through here and he wasn't a young
23 fellow either. There used to be Caribou going through here
24 and the road came through here and then they had to get some
25 meat so they had to go out there and shoot. They can't go
26 out in the States and order a whole bunch of beef. By the

1 time it comes up, it will be all thawed out. There used to
2 be a lot of Caribou through here. I mean that's my dad -- he
3 told me that and he said these animals -- I'll tell -- I'll
4 give you an example about this.

5 We live eighteen miles down here
6 and we've got a cat trail and they never asked us before and
7 never asked us a year ahead -- they were going to put a cat
8 trail in there to a mine up in the Ladue -- they just came
9 over there and asked and just went over there and did it. I
10 mean, we trap through there, all our family does and we don't make
11 that much money but we just have enough to get by.

12 There, they go ahead and put a
13 cat in there and every winter they come back. In the middle
14 of winter when the ice is all thick enough to get a cat
15 across the lakes and rivers, I mean, the animal's not going
16 to run up to you and just because you hear a bunch of noise,
17 but this pipeline -- what I would say -- is why go all the
18 way down the highway. I mean, I know that down in Haines
19 it's rough water down to there. They don't want to have oil
20 spills or anything like that, but they should at least run
21 it from Fairbanks, connect it with Prudhoe, and then run it
22 right straight down through, down Haines and from there, just
23 load it on up. Why spoil the land? You run it for twenty
24 years, thirty years. That's all you've got.

25 How long do you think that land
26 is going to take to grow back up. It's going to be still

D. Johnnie

1 there. That pipeline out here came through when the road
2 came through -- about the same time -- and it's still out.
3 You never see no big trees growing in there. The pipe is
4 still lying there, so why don't they just put it down to
5 Haines or somewhere like that. It's better than going all
6 the way down and wrecking all that land and we -- they said
7 we're going to get some gas out of it. From what I heard,
8 we're not going to get none, I mean, that's what I heard.

9 But then, and there's another
10 thing about this -- it's going to be computerized or some-
11 thing like that. Operated from Whitehorse and by the time all
12 this is all done, there will be about maybe a couple hundred
13 jobs year round and all the rest. But then, if it goes
14 through and we don't want that, it goes through here and
15 work three months. Sure, we're local -- work here three
16 months and that's all you get -- three month's pay. I mean,
17 that's nothing. The price is going to go up, people around
18 here want to make money because it's mostly business in
19 Beaver Creek.

20 Now, we make the money, we spend
21 it right back on them. So we don't want these -- it's good
22 enough right now as it is. I mean, the Yukon doesn't have
23 to develop so fast. We'll just leave it. Have clean air
24 and we'll decide what to do with this land once we get it
25 through with.

26 Thank you.

1 MR. CHAIRMAN: Thank you Mr.
2 Johnnie. There were -- you did in the course of your state-
3 ment, ask two or three questions. Would it be your wish that
4 Mr. Burrell from the pipeline company attempt to say something
5 about any of the issues you raised. You asked about employment
6 and distance between compressor stations and whether the
7 pipeline route had to take the present route and so on.

8 Mr. Burrell, would you care to
9 comment on any of those?

10 MR. BURRELL: It is true that
11 the construction in this general area will last about three
12 months, but beyond that, will be the -- what we refer to
13 is the operating and maintenance phase and the operating and
14 maintenance phase, we would propose to have twenty-two
15 employment positions, as I mentioned earlier, here in Beaver
16 Creek and about half of those could be filled by people who
17 don't previously have pipeline experience.

18 Now, I mentioned earlier that
19 we would -- once we had the permit -- we would take people
20 down to Alberta and British Columbia to give them training.

21 That program is going forward now. It's the Nortran
22 Program which were one of the sponsor companies -- Alberta
23 Gas Trunk Line which is one of our -- the company that
24 sponsor Foothills -- has about twenty-five people training --
25 being trained for northern pipeline operations and I think
26 in total, the Nortran Program has about one hundred and

1 twenty.

2 What I was trying to say earlier
3 is that if we do get the permit, we would expand that to
4 enable more people to be able to take on meaningful jobs in
5 the pipeline construction. We're not able to do it now
6 because we do offer people permanent employment and there
7 are just so many positions that are available in our sponsor
8 companies without knowing that we can place these people in
9 northern pipelines.

10 As far as the construction phase
11 is concerned, there will be a lot of jobs available for the
12 local people and granted, it will be over a short time span
13 but the contractors and unions have in the past, conducted
14 training programs to enable people to get pipeline training
15 experience and our discussions with them is that they would
16 intend to continue to do that and expand it.

17 As far as the compressor stations,
18 the first compressor station is forty miles from the Alaskan
19 border, about twenty-five miles from Beaver Creek but the
20 other stations down the line are probably about seventy miles
21 apart, so it's just the first one that's forty miles from the
22 border. The other ones are about seventy miles apart.

23 As far as moving the gas to
24 Haines, that is a possibility. The difficulty with that though
25 is once you get it Haines, you have to liquefy it and put it
26 on to tankers and move it down the Coast and that becomes, in

1 our opinion, a considerable use of energy and we have, in our
2 studies, found that the use of an overland route is more
3 efficient and of course, we selected the Alaska Highway routing
4 because there is an existing corridor here.

5 Another point is that natural
6 gas is a vapour. It's not a liquid like gasoline or like
7 oil so that if there is a break in a pipeline, the gas is
8 lighter than air and it's just like air. You can't see it
9 and it's lighter than air so that if there is a break in a
10 pipeline, it would rise to atmosphere rather than spilling
11 on the ground.

12 Does that answer your question
13 sir or did I miss any.

14 MR. CHAIRMAN: Thank you Mr.
15 Burrell.

16 MR. JACK: May I ask a question?

17 MR. CHAIRMAN: Yes, by all
18 means.

19 MR. JACK: If you have -- like you
20 say, it's natural gas that's going to evaporate -- what
21 happens if you have the amount of pressure that is on the gas
22 -- twelve hundred and sixty pounds per square inch -- what
23 happens if this gas is under permafrost, below freezing point.

24 Is there a possibility of this
25 pipeline exploding with the amount of pressure on it and also,
26 can you explain frost heaves. How I interpret frost heaves is

1 that if you get a chilled gas for the first forty-eight miles
2 and then I think you're going to not chill it, so by the time
3 it gets out of the discontinuous permafrost area, that the
4 gas is at least on the same temperature as the soil eh? If
5 you wanted to warm it up eh, but what I understand frost heaves
6 through a discontinuous permafrost is that in some areas that
7 you don't have permafrost, that it is only two feet underneath
8 the ground and what would happen if you have a gas that is
9 chilled below freezing point and you go through a little
10 area, maybe four hundred feet or just forty feet for that
11 matter, going to cause the vapour -- not the vapour -- I mean
12 the moisture in the soil to freeze and once this freezes, like
13 ice it will expand, and the pressure on the pipe being ten
14 feet underneath the ground, surely it wouldn't take too much
15 to break this pipe.

16 An example again, that even a
17 small little dandelion has a capability of breaking a sidewalk,
18 so can you explain some of this.

19 MR. BURRELL: With regard to the
20 pipeline bursting, it does operate at twelve hundred and
21 sixty pounds maximum working pressure. The pipeline is
22 designed in accordance with pipeline codes that are approved
23 by the Government of Canada. There have been statistics
24 gathered which indicate that pipeline breaks are very in-
25 frequent. The number that I have is that, there's some data
26 gathered on large diameter pipelines in United States and the

1 data indicated that on large diameter pipes which is the
2 category that we would be putting in here, that as I recall,
3 there's an average of a line rupture of, I think, .08 times
4 per thousand miles per year and that's -- which really isn't
5 very often.

6 On the other hand, Alberta Gas
7 Trunk Line, one of our sponsor companies, have been in
8 business for twenty years now and have about six thousand
9 miles of pipe and have had about thirteen ruptures. These
10 -- none of these ruptures have been in large diameter pipe,
11 which are thirty inch diameter and over, and they have about
12 a thousand miles of those in. As far as the design for the
13 permafrost is concerned, we will be putting in heavier wall
14 pipe and in the so-called warm areas, where the gas is
15 warmed up, the design that we're calling for in Yukon, would
16 be that the gas would be chilled to the first compressor
17 station which is Milepost 40, as you mentioned, and then it
18 would be heated up and transported in a conventional manner.

19 You are right in certain areas
20 where you would transport gas in the chilled condition, that
21 you can cause unfrozen permafrost to be frozen and it can
22 result in frost heave. Our studies that have been done for
23 us, indicate that what can be done is where that section of
24 the trench to be cleaned out and non-frost susceptible soils
25 put back in in their place, which is really gravel.

26 The information from our experts

1 is that that will overcome the problem, but we are as I
2 mentioned before, we are putting in heavier wall pipe in this
3 section because it is in the chilled section.

4 Does that answer your questions?
5 Did I miss any?

6 MR. JACK: I can understand like
7 you said, that there hasn't been very many pipeline breaks in
8 the Alberta Gas Trunk -- is that --

9 MR. BURRELL: Yes it is.

10 MR. JACK: But you have to
11 realize there, it's also different -- it's all together
12 different terrain and if you're laying a pipe ten feet under-
13 neath and there is no permafrost, surely if the chances are
14 you're not going to have any breaks, but has there been a
15 pipeline of this size -- forty-eight inches in diameter --
16 ever been constructed or laid anywhere in the world?

17 MR. BURRELL: There's quite a
18 bit of forty-eight inch. Some of the Provincial oil pipeline
19 is forty-eight inch. Of course, there's the Alyeska line.
20 As far as laying pipeline in permafrost, Westcoast, which is
21 also one of our sponsor companies, has as you know, run a
22 pipeline up to Fort Nelson and beyond to Pointed Mountain.
23 Granted, it isn't forty-eight inch but it is large diameter
24 to Fort Nelson and smaller diameters up into Pointed Mountain,
25 but there is experience with laying pipe in permafrost con-
26 ditions and of course, Alberta Gas Trunk Line has considerable

1 pipelining installed in Northern Alberta.

2 MR. JACK: Well, referring to
3 this Alyeska Pipeline, we have to realize also that this is
4 not a chilled pipeline, it is not a gas pipeline, it is an
5 oil pipeline which is heated. It comes out of the ground at
6 say 180 degrees and this pipeline is kept warm through friction,
7 in movement -- the pressure on the oil pumping through the
8 pipe. It's a friction of the oil that keeps it warm.

9 Also, that this pipeline -- this
10 Alyeska Pipeline, is also laid above ground and there is no
11 pipeline laid in permafrost, eh?

12 MR. BURRELL: He's making me do
13 my homework. It's true that the Alyeska oil pipeline is
14 heated and in those sections of the area through which it
15 flows or the pipeline traverses, if it's in thaw, unstable
16 soil, which means that if the soil was heated up it would be
17 unstable; they do go above ground, but in those areas where
18 -- if it is travelling through permafrost and in those areas
19 where, if the soil did thaw, you would not have any sediment
20 and they bury it. So, they do bury some and they do have some
21 above ground, so there is experience from that standpoint
22 in burying forty-eight inch but it is an oil pipeline and it's
23 not a gas pipeline.

24 MR. CHAIRMAN: That concludes
25 that particular debate temporarily gentlemen. Thank you.

26 Is there anyone else at this point,

1 who has a question to ask or a point of view to state.

2 I'm not quite sure what the state
3 of the coffeepot is at this stage of the game. I see some
4 heads nodding there so perhaps at one point, it looked like
5 we might have to choose between the coffeepot and the flood
6 lights. I think my vote would have been for the coffeepot,
7 anyways, I'm pleased to see that it's ready.

8 Before we do that, let me just
9 remind those present that there is also a hearing here this
10 evening. It's going to commence at 7:30 rather than 7:00 but
11 there will be a continuation. Just let me ask once more
12 though before we take about a fifteen minute break for coffee,
13 whether anyone has a statement or a question at this point
14 and, of course, we will be resuming again after the coffee
15 break.

16 Well, if not, then perhaps this
17 is a good point and we'll start again in about fifteen
18 minutes. Thank you.

19 (PROCEEDINGS ADJOURNED).
20
21
22
23
24
25
26

1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

2 MR. CHAIRMAN: Ladies and
3 gentlemen, I suggest we resume with the hearing. In a
4 moment, Mr. Burrell has a few slides to show with respect to
5 the pipeline but before that, you have a comment and Mogensen
6 has a few words to say and I'm wondering if you'd come forward
7 please.

8 MRS. MOGENSEN, Sworn.

9 My husband and I are lodge owners
10 on the Alaska Highway, fifty-five miles south of here. My
11 husband's been here for twenty years, I've been here for
12 fifteen. My dad came here in 1942. We feel that we are true
13 Yukoners. We like the North, we've worked for the North,
14 we've put a lot of hard work in the North. We feel that the
15 pipeline will be good for the Yukon -- economy, socially --
16 it'll be good for the smaller communities.

17 Granted, things may go up in
18 price, but then eventually, they're going to come back down
19 again. Things are going up in price now, not because of the
20 pipeline. Just -- it may be eventually things will come back
21 down such as the price of gas and whatnot, due to pipelines
22 going through this country.

23 My husband has a trap line here,
24 we trap. I can understand the Indian people not liking White
25 trappers, but trapping is part of the Yukon, whether it's
26 Indian or White and we feel if the pipeline goes through our

1 trap line, it will help -- it's not going to hinder -- the
2 animal population. It didn't hurt when the army pipeline
3 went through, it didn't hurt the animal population at all and
4 that is more -- it was an oil line and with the breakages and
5 whatnot, it should have done more damage than what the gas
6 pipeline is going to do.

7 We would like to say that we are
8 in favour of this pipeline. Thank you.

9 MR. CHAIRMAN: Thank you very
10 much, Mrs. Mogensen.

11 MR. CHAIRMAN: I think unless
12 there's anyone else who wants to speak at this moment, I'll
13 ask Mr. Burrell to proceed with his presentation with the
14 slides and then after that, have another opportunity to ask
15 questions or make statements.

16 MR. BURRELL: First of all,
17 Foothills Pipe Lines Yukon Limited is a Canadian owned company.
18 It's owned 100 per cent by Foothills Pipe Lines Limited, which
19 is the company that is sponsoring the Maple Leaf project which
20 is a pipeline project to move Delta gas from the Mackenzie
21 Delta to market areas in Canada.

22 Foothills Pipe Lines are in turn
23 owned by Alberta Gas Trunk Line 70 per cent and by Westcoast
24 Transmission 30 per cent, two of the largest Canadian trans-
25 mission companies. Foothills Pipe Lines Yukon Limited of
26 course, is the pipeline company which is proposing to build

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1 the Yukon portion of the Alaska Highway Pipeline project.

2 The cost of the work in Yukon are
3 being shared equally by Alberta Gas Trunk Line and Westcoast
4 Transmission. This is the Alaska Highway Pipeline project in
5 total. As I've mentioned before, the gas is picked up at
6 Prudhoe Bay and carried along forty-eight inch buried pipeline
7 which follow the Alyeska right-of-way in Alaska, down to
8 Fairbanks, where it then deviates from the Alyeska right-of-
9 way, following the Alaska Highway through the balance of Alaska,
10 through the Yukon, through British Columbia and then into
11 Alberta where the pipeline follows the existing right-of-ways
12 of Alberta Gas Trunk Line system to a point north of Calgary
13 where the gas splits and about 30 per cent of it goes to the
14 West for the Pacific Northwest part of the U.S. and the
15 balance -- about 70 per cent -- then goes -- connects with
16 another pipeline in Saskatchewan and then connects with a
17 facility in the U.S. for distribution to market areas in the
18 Chicago area.

19 The length of the pipeline in the
20 Yukon is five hundred and twelve miles long, it has seven
21 compressor stations proposed, about seventy miles spacing
22 between them. The cost of the section in the Yukon is 1.3
23 billion dollars and the cost of the whole project from Prudhoe
24 Bay to 49th Parallel is just over 7 billion, of which 3.5
25 billion is in Alaska.

26 As I was saying before, the delivery

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1 of first gas would be as planned for October 1, 1981 at 1.6
2 billion cubic feet a day, rising to 2.4 billion cubic feet a
3 day commencing January 1, 1983. There are seven construction
4 spreads to construct through the Yukon. At any one time,
5 there'll be two of these spreads where there'll be activity.

6 For instance, in the winter of
7 1980, there will be the spread between Milepost 30 which is
8 this spread in here, spread three and spread four. I was
9 mentioning that this is the pipeline construction which will
10 most affect Beaver Creek and it will take place in the winter
11 of 1981 and then the balance of the construction will take
12 place during other time periods.

13 The compressor stations as I
14 mentioned, there are seven. The one closest to Beaver Creek
15 is about twenty-five miles away and it will be built in the
16 years 1981, 82 to be in service January 1, '83. This is the
17 projection of the construction manpower requirements for the
18 Yukon section. You can see that in 1980, it peaks at about
19 twenty three hundred people. We're estimating that about
20 60 per cent of those jobs could be filled by Yukon people and
21 the balance of the people would have to come in from the
22 south. Those people would have previous pipeline experience
23 in welding and side boom special equipment operation.

24 This is a close-up of the section
25 in the Beaver Creek area. Here again, this is the spread that
26 will be built in the winter of 1981. The construction camp

1 would be located here, approximately fifteen miles from Beaver
2 Creek and then the compressor station, as I mentioned, would
3 be about twenty-five miles from Beaver Creek. Sorry?

4 We have some slides just to give
5 you a brief -- some idea of how the pipeline is constructed.
6 This is basically the first operation which is clearing and
7 grading in order to level the area to enable the equipment
8 to operate in order to install the pipe.

9 This is the grading. Here again,
10 they trying -- they're levelling the work pad so that the
11 equipment can move over the pad easily. Stockpile of pipe
12 -- the pipe is picked up from that stockpile site, generally
13 it has been moved to that stockpile site from the -- by rail-
14 road from the pipe mill, picked up by the trucks and taken
15 along the right-of-way and as we call it -- strung along the
16 right-of-way or it's just laid along the right-of-ways for
17 welding at a later time.

18 Not all the pipe -- the right-of-
19 way is not a flat surface. In many cases, it bends over hills
20 and through valleys and it's necessary then to bend the pipe
21 in order to fit the contour of the land and this is a pipe
22 bender and this big -- is a hydraulic operated machine which
23 causes the pipe to bend to fit the contour of the right-of-
24 way.

25 This is the -- what they call a
26 lining up process. Really all it is, is to join these two

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1 pieces of pipe together so they can be welded. This is the
2 welding process, this welder is welding the two joints of
3 pipe together. This is another method by which they weld and
4 this is the automatic welder. In cold weather, they use these
5 tents to protect the welder from the wind and the cold and
6 there'll be someone in there welding to complete and join
7 the pipes together.

8 This is a completed weld and this
9 is what a weld looks like. When the weld is finished, it is
10 x-rayed and if there's any defects in the weld, the weld is
11 repaired, all welds are x-rayed to be sure that they meet
12 code requirements.

13 This is the ditching operation --
14 is a ditching machine -- trenching through here and the pipe
15 will eventually be put in the ditch. It's another operation --
16 you can see the ditching machine in here, you can see the
17 pipe laid along the side here and this is -- this machine is
18 just digging out an area where the ditching machine was then
19 able to dig. This is a finished ditch. Pipe is generally
20 buried about two feet below the ground -- two and a half feet
21 below the ground, except in river crossings where it's -- it
22 would be a minimum of ten feet.

23 The pipe -- once the pipe is
24 welded up, it's cleaned -- this is a cleaning machine -- and
25 then it's primed and then they put a coating on it to protect
26 it from -- this is fibreglass coating -- it's to keep the

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1 pipe from rusting. This man is checking to see if there is
2 any holes in the wrap itself and if they find any, they repair
3 it before it's put in the ground.

4 Now, they're getting ready to
5 lower the pipe in the ground. The ditch has been dug and the
6 pipe has been welded together and the coating is on it to
7 protect it from rusting. This is another picture of the
8 pipe being put in the ground and these are what they call
9 side boom tractors and they pick up the pipe in slings and
10 put it into the ditch and you can see how it -- just how
11 flexible this big pipe is.

12 This is a picture of a construc-
13 tion spread. You can see the side boom tractors putting the
14 -- lifting the pipe up and this is the coating machine here
15 and then you see how the pipe is being put in the ditch.
16 Down here, they're ditching. You can see here and they'll be
17 welding down in this area too, so this is what a pipeline
18 spread looks like. All the operations that we saw earlier
19 are shown on this slide.

20 This is a valve assembly -- for
21 compressor stations, you need valves to allow the gas to come
22 out of the main line into the compressor station and back into
23 the main line again after it's compressed and that's a valve
24 assembly. The pipe is then in the ditch and it's being back-
25 filled. Now, they're grading the pipe -- grading the right-
26 of-way -- I'm sorry. They're mixing up the dirt on the right-

1 of-way so that the line -- it can be revegetated.

2 What they do when they generally
3 dig in agricultural area, they'll take the topsoil and put it
4 to one side and then they'll dig the rest of the ditch and
5 put the dirt on the other side and then whey they back fill,
6 they back fill the non-topsoil material and then they put the
7 topsoil back on and they mix it up so that they can revegetate
8 it.

9 This is what a finished right-of-
10 way looks like. Now, before they put a pipeline into oper-
11 ation, they are required to test the pipe for twenty-four
12 hours at pressures well in excess of the operating pressure, it
13 is done usually with water and the pipe is tested for twenty-
14 four hours at pressures one and a quarter times its operating
15 pressure and it must hold that pressure for twenty-four hours
16 before the pipeline can be put into service.

17 This is what a right-of-way looks
18 like after the vegetation is regrown and that's just another
19 shot of it.

20 This is a road crossing. This is
21 a -- these are powerlines and this is the road crossing for
22 the pipeline. You can see two -- I think you can see anyway --
23 two markers here. That just marks the crossing of the pipe-
24 line. When the pipeline is put under the road, the road is
25 not trenched -- it's not open -- they generally bore with a
26 boring machine underneath the road and slip the pipe through

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1 it so that the traffic can continue to flow or travel along
2 the roadway while this pipe is being installed, so it doesn't
3 interrupt the flow of traffic.

4 This is what it looks like on the
5 ground. This is a marker, just a milepost marker which on a
6 regular basis, perhaps once a month or once every two weeks,
7 the pipeline right-of-way is flown to see if there is any
8 erosion conditions or any problems along the right-of-way and
9 if there are any, they're reported back to district head-
10 quarters and people go out and have a look to see what the
11 problem is and correct it, if any difficulties that may occur.

12 This is just a milepost to let
13 the pilot know where he is along the pipeline. This is a
14 river crossing and the pipe will be pulled across here and
15 then hooked up with another piece of pipe and continuing
16 through here. This pipe is coated with concrete to keep it
17 from floating up and the depth at which this pipe is put
18 below the water is determined by engineering studies, depending
19 upon how fast this water is flowing and what type of material
20 is below -- or in the bed of the river. As I said before, it's
21 a minimum of ten feet, it can be more than that.

22 This is a completed river crossing.
23 All the river crossings on our pipeline will be buried. All
24 the pipeline will be buried. There will be no above-ground
25 piping such as in Alyeska and you can see the pipeline markers
26 here. The pipeline goes across the river and it makes a bend.

1 And now, as far as crossing the river is concerned, our
2 Environmental Department will advise us as to the best time
3 to cross rivers so we don't interfere with the migration of
4 fish or the spawning of fish. That's one of the duties that
5 the Environmental Department has.

6 This is the construction of a
7 compressor station. This is the compressor itself and this
8 is the foundation on which it's put. This is the building
9 under construction and this is the compressor which we saw
10 in an earlier slide. This is the piping which is installed
11 in the compressor yard and this is the compressor itself.
12 The gas comes in here and this is driven on the other side of
13 this stack, is a jet engine, just like is on the CP Air planes
14 that come into Whitehorse and Watson Lake.

15 This causes this compressor --
16 there is a wheel in here that turns very fast and it's just
17 like a big fan and the gas comes in here at a lower pressure,
18 it spins and it comes out at a higher pressure and goes down
19 the main line. The reason that you need a compressor station
20 is because as the gas flows in the pipeline, it loses pressure
21 because of the friction between the gas and the walls of the
22 pipe and the compressor station -- I mean the gas has to be
23 at a high pressure in order to move it efficiently, so that
24 every so many miles in the case of our system, about seventy
25 miles, you put in a compressor station to boost the pressure
26 -- increase the pressure again -- like I say, it's just a big

1 fan, where the gas comes into the center, it whirls around
2 and comes out at a higher pressure and goes down the main
3 line.

4 This is a -- one of the compressor
5 stations on Alberta Gas Trunk Line. It has two units. Our
6 system will only have one, so we would expect to see just
7 this building and this building in the Yukon.

8 This is an aerial shot of a
9 compressor station. As I mentioned before, our plan would
10 be to put an operating area office in Beaver Creek, Haines
11 Junction, Teslin and Watson Lake and Whitehorse. Whitehorse
12 would also be the area office for our facility. There would
13 be twenty-two job opportunities and permanent job opportunities
14 in Beaver Creek and the same with Haines, Teslin and Watson
15 Lake and there would be about a hundred in Whitehorse.

16 As I was mentioning earlier,
17 there is a training program that we have to train people that
18 do not have previous pipeline experience so that they can
19 obtain the skills necessary to operate a pipeline and we have
20 -- as I said before, estimated that about half of the job
21 opportunities in the whole of Yukon, could be filled by
22 people that do not have previous pipeline experience.

23 This is the control office in
24 Calgary. This is very similar to the facility we might put
25 into Whitehorse. This is the gas dispatch -- the compressor
26 stations will operate automatically and unattended and this is

1 the dispatcher. He can tell by these readouts here, what
2 pressure the pipeline is operating at, what temperature the
3 gas is flowing at, what flow is occurring in the pipeline and
4 he can also tell if there is a problem at the station.

5 For instance, if the bearings in
6 a compressor heat up, it will light up and tell him; if there
7 is an escaping gas within the -- in the compressor building,
8 it will light up and tell him; and in addition to that, if
9 there are such things as an escaping gas, the compressor
10 station will shut down automatically and cause the gas not to
11 go through the compressor station, but to continue down the
12 main line, so it isolates the compressor station from the
13 main line.

14 This dispatcher will know that
15 immediately and can phone to the area office and tell someone
16 who will then go out and have a look to see what the problem
17 is.

18 This is a building which would be
19 typical of the area office that we might install here in
20 Beaver Creek, if we are lucky enough to get the permit.

21 This is another shot of the same building. When we -- if we
22 do get the permit and we would intend to come and talk to the
23 local people about where we should locate this and where we
24 should locate our houses, because we would intend to provide
25 all our employees with houses, building them if necessary if
26 there are none available to purchase which we expect we would

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1 have to do in communities other than Whitehorse.

2 That's basically the -- all the
3 slides that I'd like to show.

4 MR. CHAIRMAN: Thank you,
5 Mr. Burrell. So if I may just ask at this point if there
6 are any questions, either arising out of that presentation
7 or generally about the proposal to build a pipeline or whether
8 anyone wishes to make some observations or make a statement
9 at this time.

10 MR. ADAMSON: I'd just like to
11 ask one question.

12 MR. CHAIRMAN: Certainly, could
13 I just ask you to give your name please before you start.

14 MR. ADAMSON: Yeah, my name
15 is George Adamson and I just wanted to ask one question about
16 the river crossing. By the way, I looked at the slides that
17 he just showed. I notice that on some of those river crossings,
18 how did they -- like you said, they were going to bury the
19 pipe under the river. I mean, how do you propose to dam the
20 river, like are you going to have a diversion channel some-
21 where or what?

22 MR. BURRELL: Generally, the
23 -- as I was mentioning before -- the Environmental Department
24 advises as to when we can go in and install the pipeline, but
25 it's generally done at low waterflows and quite often, you can
26 just walk the equipment across. There's other ways to do it

1 which you can work off the barge. It would depend upon the
2 depths of the river really, but a trench is dug across the
3 river, the pipe is put inside the trench and then the -- it's
4 buried over again.

5 MR. CHAIRMAN: Anyone else at
6 this point with a question or matter of information or obser-
7 vation to make? It would be a shame to waste all that
8 wattage.

9 We'll be reconvening this evening,
10 as I mentioned earlier, at 7:30, so you will have that further
11 opportunity if you have some afterthoughts in the meantime to
12 ask your questions or make statements.

13 I think if there is nothing
14 further at this point --

15 MR. JOHNNIE: Yes, I'd like to
16 ask a question.

17 MR. CHAIRMAN: Okay, yes, please.
18 Go ahead.

19 MR. JOHNNIE: I'd like to --

20 MR. CHAIRMAN: It's Mr. Johnnie,
21 am I right?

22 MR. JOHNNIE: Yes, David. I'd
23 like to ask you a question about -- and give us a little talk
24 about what was your report on -- if you did any report -- on
25 the game and wildlife.

26 MR. BYERS: I guess we thought

1 we'd put a new face on the Boards here.

2 My name is Bob Byers. I'm with
3 the Environmental Department of Foothills. It's been my
4 responsibility over the last year or so to kind of co-ordinate
5 a lot of the activities in doing the research about the
6 environmental things, along the pipeline alignment.

7 Initially, we approached the various
8 government authorities responsible for maintaining game manage-
9 ment, fisheries, et cetera along the pipeline alignment, to
10 establish what there was available in the way of information
11 relative to the pipeline.

12 As a follow-up to that, we put
13 together a statement sort of detailing the existing infor-
14 mation that there is there. Having completed that, the people
15 that had done that research for us, came forward and said,
16 now, what we have is a broad data base but we have no pipe-
17 line specific information. What we'd then like to do is go
18 into the field and using this information on a broad area
19 along the highway, -determine the kinds of things that exist
20 along the pipeline right-of-way.

21 That started last Fall with a
22 number of waterfall surveys and continued through to winter
23 with the surveys of the fishery area and the mammals that
24 exist along the pipeline right-of-way. What we found
25 essentially, are places where things like the moose and the
26 Caribou would over winter, or being using predominantly as

1 what they call sort of a nursery area or an area where the
2 younger born -- we determined to the best of our ability
3 right now, where the spawning areas for the fish are and what
4 the major migration routings are and we're actively involved
5 in co-ordinating that with the construction people, to
6 determine the best times of the year to be allowing them to
7 do things like river crossings and various aspects of the
8 construction project.

9 I think -- I hope that's answered
10 the question and the fact that we have done the mammal study.

11
12 MR. CHAIRMAN: Thank you. Does
13 that answer your question, Mr. Johnnie?

14 Anybody else that has a question
15 or statement to make. Yes?

16 MR. ADAMSON: One more question.
17 I want to know, like with the government and other people,
18 how do they determine who is a Yukoner in terms of like in
19 getting a job or a-- getting trained and all that. Like,
20 people come up here from down south and they can only be here
21 one or two years and then they consider themselves a Yukoner,
22 so I'm not too clear on that.

23 Who is a Yukoner, for example, I
24 come from the Yukon myself and say if I went
25 to somewhere in British Columbia or Ontario and stayed there
26 one or two years and then I call -- then I say I'm from

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1 Ontario you know -- I don't think that's right you know,
2 because I'm not from Ontario. So, a lot of people come up
3 here from down south and they assume that they're Yukoners
4 so this is what I'm sort of not too clear on.

5 MR. CHAIRMAN: There's been some
6 discussion of that in the formal hearings, Mr. Adamson, and
7 I'll ask Mr. Burrell to speak to that question.

8 MR. BURRELL: Well, in our
9 pipeline proposal, we say that we will give preferential
10 hiring to all Yukoners and really in our mind, we're really
11 uncertain as to what a Yukoner is or who a Yukoner is and we
12 suggested that the Territorial Government or perhaps this
13 Inquiry, might come -- might provide such a definition, so
14 that it's universally accepted because right now, there are
15 many different ways in which a Yukoner might be defined.

16 In order to assure that
17 preferential hiring is given to Yukoners, we should have such
18 a definition, but as of right now, we don't have one which
19 really applies to our project but as I understand, the
20 Territorial Legislative Assembly are -- have a motion before
21 the Assembly, a member put a motion before the Assembly,
22 saying that there should be a definition of a Yukoner and I
23 understand that the Assembly will address itself to that.

24 Mrs. Watson, you might correct me
25 if I'm wrong on that. She's more informed on those matters
26 than I am.

1 MR. CHAIRMAN: Mrs. Watson,
2 would you care to speak to that.

3 MRS. WATSON: Thank you. Some
4 of the statements that Mr. Burrell said is correct. The
5 members of the Legislature did put a motion before, but the
6 motion asked the Administration to address itself to the
7 problem and to come forward to the Legislature with proposals,
8 different types of definitions that could be used to determine
9 who actually is a Yukoner. I'm very hopeful that by the
10 Fall Session that the Yukon Administration will have something
11 for our Legislature to consider.

12 MR. CHAIRMAN: Just as a matter
13 of information, one suggestion made before us on the last day
14 of our formal hearings by the Chamber of Commerce, that a
15 Yukoner would be anyone who's living here as of January 1 of
16 1977, that was their suggested definition.

17 Any other questions or statements?

18 If not, then what I would propose
19 to do is to adjourn the proceedings until this evening at
20 7:30. I'd like to thank you all for coming out this afternoon
21 to assist the Board in getting some impressions about concerns
22 and interests of people in the area and needless to say,
23 you're all welcome to join us again this evening.

24 So, we'll stand adjourned now until
25 7:30.

26 (PROCEEDINGS ADJOURNED).

1
2 EVENING SESSION

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

4 MR. CHAIRMAN: Ladies and gentle-
5 men, I'd like, if I may, to resume the proceedings at this
6 community hearing. It started as you know, this afternoon.
7 For the benefit of those who were not with us this afternoon,
8 perhaps I could introduce the Board once again.9 My name is Ken Lysyk. With me
10 on the Board are Edith Bohmer and Willard Phelps, both of
11 whom are Yukoners.12 As to what we're up to here in
13 the community hearings -- let me just say a few words about
14 what our job is. As you know, the Government of Canada
15 proposes to build a pipeline to bring gas down from the
16 Arctic to the lower forty-eight states of the United States.
17 It is said that it proposes to make its decision in principle
18 this August as to whether it will approve a route, basically
19 one of three choices. Basically, a choice between a route
20 down the Mackenzie Valley or a route along the Alaska Highway
21 or no route through Canada. I say basically because there
22 have been some variations discussed with respect to those
23 main options.24 But, that it proposes to make its
25 decision in principle this August and this Inquiry was estab-
26 lished to assist the government by making some information
available to it, for purposes of that decision-making process.

1 With respect to the information
2 that we're to provide, we are asked to produce a preliminary
3 report on the social and economic impact of such a pipeline,
4 preliminary in the sense that the Minister has said, if, when
5 the decision in principle is taken this Fall, the decision is
6 in favour of the Alaska Highway route, then there'll be a
7 further Inquiry established to develop detailed terms and
8 conditions with respect to the construction and operation of
9 a pipeline on this route.

10 One our tasks, according to the
11 terms of reference, is to provide advice on the arrangements
12 for such further Inquiry. So in brief, this -- our job --
13 what this Inquiry represents, is the first stage of a two
14 stage process, with the second stage commencing when and if
15 the government decides in principle, to give approval to the
16 Alaska Highway route and our role then is to provide the best
17 information and advice we can to assist in this first stage of
18 the process and to say something about how the second stage might
19 be carried forward.

20 We're asked also to say something
21 about further studies that should be done if the the decision
22 in principle is taken to follow this route. Another thing
23 we're asked to do -- a very important thing that we're asked
24 to do -- is to report on the attitudes of Yukoners to this
25 pipeline proposal and that of course, is coming to the nub of
26 things, so far as the reason for these community hearings, is

1 to provide an opportunity for you to ask questions of the
2 representatives of the pipeline company -- Foothills Company --
3 and I might say that the representatives from Foothills that
4 are with us today, are Mr. Burrell, Mr. Byers and Mr. Becker.

5 They're going to be here to
6 respond to any questions that you might have and also to give
7 you an opportunity to state your opinion, state your concerns
8 what you think is good and what might not be so good about
9 the pipeline proposal.

10 I should say that we like to keep
11 the proceedings as informal as possible. There are one or
12 two similarities with the more formal hearings that we were
13 holding in Whitehorse a little earlier this month. Here, we
14 ask, just as in the formal hearings, that when you ask your
15 question or make your statement, that you come to one of the
16 microphones, either the one at the table or the one on the
17 floor, that you identify yourself and if you're making a state-
18 ment, we ask also in keeping with the procedure in the formal
19 hearings, that you give your evidence as a sworn statement
20 or affirm the truth of your statement. That's not necessary
21 where you're simply asking a question.

22 The reason for the microphones of
23 course, is because while these are informal hearings, it is
24 important that a complete record be kept of everything that
25 is said and will form, of course, a part of the record of
26 this Inquiry.

1 So, at some stage later in the
2 evening, I may ask Mr. Burrell to give a little presentation.
3 He has some slides that he uses in conjunction with his
4 remarks to explain a little bit about the proposal and what
5 is involved in pipeline construction and perhaps to give a
6 comment or two very specifically, about what the company
7 sees happening here in Beaver Creek, in terms of numbers,
8 employees and so on.

9 So at this point then, let me just
10 say once again, we like to keep the proceedings as informal
11 as possible. I'm going to now ask if anyone has either a
12 question they would like to address to the representatives
13 of the pipeline company or if someone has a view or an opinion
14 they would like to express, I'd like to urge them to come
15 forward and do that.

16 I should say once again, that
17 you may find the microphones and the lights a little bit
18 daunting, but I think all I can do is suggest that you try
19 and ignore them and tell us the same sort of things that you'd
20 be telling us if you were doing it over a cup of coffee in
21 your living room. Yes? Please, if you would -- I'd ask you
22 sir if I can, to give your name for the record before you
23 start with your comments.

24 WALTER DRYKE, Sworn.

25 MR. DRYKE: My name is Walter
26 Dryke. I'm a local businessman here. I'm fifty-one years

1 old and I believe I'm old enough to have seen this North
2 American continent grow from 100 million people to over 250
3 million as it is now.

4 I personally do not like lots of
5 people or crowded areas, so I choose to live in the Yukon.
6 I have seen many other areas grow from small areas to large
7 overcrowded towns and cities so believe that you cannot stop
8 population growth, progress or other things that go with it.

9 I would enjoy very much to be
10 able to make my living and livelihood from the land and
11 hunting and fishing, but with the population of the world as
12 it is growing today, it is just not possible for us all to
13 do this.

14 Some of us are forced to make our
15 living from or off of each other. I can see right now that
16 our own children and grandchildren are going to be forced to
17 live in a totally different environment than what we have
18 today. This is in terms of living conditions, jobs, what we
19 eat, what we wear for clothing, how we transport ourselves
20 and our goods and products. We can no longer live in the
21 past. It takes more and more of everything we grow and can
22 produce to keep this world alive and growing, so we are
23 forced to join the multitudes.

24 When more food is needed, we must
25 produce it. When more oil is needed, we must find it. When
26 more heat is needed, we must supply it. As for this pipeline

1 being built, I say build it on the most feasible route, where
2 it will transport the most product and benefit the greatest
3 amount of population, with the least amount of environmental
4 damage or possibility of damage in the future and also, the
5 least expense.

6 I believe the Alaska Highway route
7 should be that choice. The Mackenzie Delta route I believe,
8 is the worst route considered. There are no services or
9 corridor already established there. The terrain would be
10 very difficult and costly to cross and fewer people would
11 benefit from it. The El Paso route is also a route that
12 could do enormous environmental damage in terms of contamin-
13 ating sealife, wildlife and human life. You have a pipeline
14 involved there plus large liquefying plants, plus large
15 tankers on the ocean. Nature's elements at sea are far more
16 unpredictable and harder to cope with than they are on any
17 frozen ground.

18 Furthermore, the cost of trans-
19 porting gas this way is far greater than in any pipeline.
20 In addition to a pipeline, you must also add the cost of
21 liquefying plants, plus a large -- a fleet of large tankers,
22 plus remanufacturing plants down south, dock handling
23 facilities and more pipelines. You also have the added risk
24 of handling this gas many more times in crowded population
25 areas, where, if an explosion should occur, could damage
26 millions in property damage plus many many human lives and in

1 the end would be benefiting less people than an overland
2 route.

3 I believe that all of the Yukon
4 would benefit from a pipeline here -- through here -- in
5 terms of less costly heating bills, more industries could
6 move in creating more employment. I do not believe the
7 environmental impact would be all that great to fish and
8 game. The only time it would disturb would be during con-
9 struction and wildlife soon returns where construction passes
10 on.

11 Moose, Caribou and other animals
12 often use seismic trails and pipelines and abandoned roads
13 to migrate and travel on, so I cannot see any great damage
14 there. Streams and rivers can be crossed when there are no
15 fish running, so I can see no problem there also. Lakes can
16 be restocked with fish. That's what we have fishery depart-
17 ments for. As far as native people being deprived of hunting
18 and fishing rights, that will not happen. A pipeline should
19 not affect that in any way.

20 The native people should benefit
21 from this project along with the rest of us, in terms of a
22 better living condition, more employment, job training and
23 education in any form they want. As for social impact on our
24 particular community, I cannot see any great damage being
25 done here with a construction camp being fifteen miles away
26 for a period of three to six months. There have been camps

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1 on projects such as this since day one and people elsewhere
2 in this world have survived, so why should we be any different.

3 This pipeline will bring more
4 families to the community and jobs which will also better our
5 chance to improve our education system and other facilities
6 here and with more employment available, it should also
7 lighten the burden on our welfare and unemployment depart-
8 ments.

9 As for the social impact in our
10 particular -- pardon me -- as far as land claims are concerned,
11 I believe we all have a land claim to this land. I have many
12 ancestors too, as we all do, and many of them were born on
13 this continent and we are supposedly all born equal so there-
14 fore, I say we have to let the majority rule.

15 So I speak for myself and my
16 family and when I say we are in favour of the Alaska Highway
17 pipeline route. Thank you.

18 MR. CHAIRMAN: Thank you very
19 much for that presentation, Mr. Dryke.

20 Anyone else ready with a question
21 or a comment? Yes?

22 MRS. BRADLEY: Norma Bradley.
23 My husband, myself and our family live at and operate White
24 River Lodge, thirty-three miles south of Beaver Creek.

25 We've been in the Yukon fifteen
26 years, twelve of these years at White River. In conjunction

1 with our lodge, my husband and older son run a trapline to
2 supplement our income in the winter. This offsets our high
3 fuel cost.

4 Our feelings concerning the pipe-
5 line are mixed, inasmuch as it will bring about some changes
6 in our lifestyle, especially during the construction period,
7 however, we do feel that progress must come to the Yukon
8 whether it be in the form of a pipeline, paved roads, mining,
9 et cetera and some of the changes can only benefit all
10 Yukoners, socially and economically.

11 True, high prices are a concern
12 to all of us. The prices are going up everyday, without
13 the pipeline. We have one of the best protected big game
14 areas in the world and I'm sure a pipeline would not be
15 allowed to interfere with that protection. In effect, we
16 should all get our heads out of the sand and be as prepared
17 as possible for any progress.

18 In conclusion, I will say our
19 family is in agreement with a pipeline with only small
20 reservations. Thank you.

21 MR. CHAIRMAN: Thank you, Mrs.
22 Bradley. Anyone else with a comment at this stage?

23 I might ask Mr. Burrell then at
24 this stage, just to give I think, not the full presentation,
25 Mr. Burrell. If you'd just like to give -- make a few remarks
26 about the impact -- what you see happening here in Beaver

1 Creek in terms of the pipeline.

2 MR. BURRELL: If I may, I'll go
3 to the map where I'll show the first two or three slides and
4 perhaps that may be better.

5 MR. CHAIRMAN: Well, as you
6 wish. All right.

7 MR. BURRELL: In our slide
8 presentation, we were just using this slide to show the
9 structure of the Foothills Pipe Line just to give you some
10 quick background. Foothills Pipe Line Yukon Limited, which
11 is the pipeline that's proposing to or has made application,
12 to build and operate a pipeline through the Yukon, is a 100
13 per cent owned subsidiary of Foothills Pipe Lines Limited
14 and they're Canadian owned and controlled companies.

15 Foothills Pipe Lines Limited, of
16 course, is the company which has made application to the
17 National Energy Board for the right to build a Maple Leaf
18 project in the Mackenzie River Valley and that's to bring
19 Delta gas to Canadian markets. Foothills Pipe Lines is con-
20 trolled 70 per cent by Alberta Gas Trunk Line and 30 per cent
21 by Westcoast Transmission, two of the largest Canadian trans-
22 mission companies.

23 The cost of Foothills Pipe Line
24 Yukon is shared equally between Alberta Gas Trunk Line and
25 Westcoast Transmission.

26 Very briefly, what the Alaska

1 Highway Pipeline project is, is a pipeline -- a forty-eight
2 inch buried pipeline -- to take gas from the Prudhoe Bay
3 field, along the pipeline which parallels the Alyeska Highway
4 -- I'm sorry -- the Alyeska Pipeline right-of-way to Fairbanks,
5 where it then deviates from the Alyeska right-of-way and
6 follows basically, the Alaska Highway alignment through Yukon,
7 across British Columbia and then heads directly into Alberta
8 to follow the existing right-of-ways of Alberta Gas Trunk Line
9 to a point near Calgary -- just north of Calgary -- where
10 it splits and 30 per cent of the gas goes into the Pacific
11 Northwest and 70 per cent of the gas then flows into the
12 midwestern part of the United States.

13 This is the planned construction
14 program for the Yukon section. If we have seven spreads
15 which will be the construction will occur over three years.
16 The one in the Beaver Creek area which is here is spread one
17 and it's Beaver Creek on our alignment, is Milepost 15 with
18 Milepost 0 being the Alaska-Yukon border.

19 This section of pipeline will be
20 built in the winter of 1981; the one adjacent to it will be
21 built in the winter of 1980 and consequently, the other
22 sections -- Section 7 for example -- is built in the summer
23 of 1980.

24 The compressor station construc-
25 tion -- well, there's seven compressor stations. The closest
26 one to Beaver Creek is at Milepost 40 which is twenty-five

1 miles from Beaver Creek. It will be built in the year 1981-
2 82 and be in service on January 1, 1983.

3 This is the manpower requirements
4 -- the peak manpower requirements for the project are twenty-
5 three hundred. The -- about 60 per cent of those jobs will
6 be available to people that work in -- that live in the
7 Yukon. The other 40 per cent would be filled by people
8 having previous pipeline construction experience, such as
9 side boom operators and welders.

10 This gives you a little more
11 detail on the construction in the Beaver Creek area. As I
12 said, this will be built in the winter of '81 and this in the
13 winter of '80. This is the camp -- fifteen miles from Beaver
14 Creek and the compressor station which is twenty-five miles.
15 We're intending to -- this camp will have about seven hundred
16 and fifty to eight hundred people. The construction will
17 occur in January through March of '81. This section of
18 course, will be in January through March of 1980.

19 This camp will serve not only
20 this section, but this section also. The pipeline as it's
21 constructed, would start here and move progressively south,
22 so that in any given location along here, you'd probably see
23 pipeline activities for about a week and then they'd move on
24 -- continue to move on down the pipeline to complete this
25 spread in the winter of '81, tying into here.

26 In the operating phase, we intend

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1 to -- or would like to have an operating and maintenance
2 base located in Beaver Creek, as we would have in Teslin,
3 Haines Junction, Whitehorse and Watson Lake. The -- we're
4 estimating that there would be twenty-two permanent employment
5 opportunities with the pipeline resident in Beaver Creek.

6 Now, some of those would have to
7 be filled by people who have previous pipeline operating
8 experience, but we've estimated that about half of those
9 positions could be filled by people who have not had previous
10 pipeline experience. The intent would be that once that
11 we have the pipeline permit, if we are successful in obtaining
12 one, that we would take local people and give them some
13 training on existing pipeline systems in Alberta and British
14 Columbia so that they would be prepared to come back to the
15 area and assume jobs of skill levels.

16 All the jobs that would be
17 situated out of Beaver Creek, operating and maintenance area,
18 would be skilled jobs and the training for that of course,
19 as I mentioned before, to those people who do not have
20 previous pipeline experience, would be in the Alberta Gas
21 Trunk Line and Westcoast systems.

22 In addition to that of course,
23 we have the policies of the company which will be to maximize
24 to the greatest extent possible, the purchase of goods and
25 services from local suppliers and our sponsor companies,
26 Westcoast and Alberta Gas Trunk Line, practice that within

1 their own system and that practice would just be transferred
2 directly to our system.

3 Also, we've done a study to
4 determine whether it would be feasible to supply natural gas
5 to the communities along the highway and we've -- in our
6 studies -- it has indicated to us, that natural gas can be
7 made available to the homes in the Beaver Creek community
8 for prices which would be less than those which would have to
9 be paid for fuel oil.

10 In addition, as far as the
11 housing is concerned, our policy would be that we would con-
12 struct houses or have local contractors construct houses if
13 they are -- if there are local contractors that are able to
14 do it, we would have them construct the houses for our
15 personnel so that we would not come in and put any load on
16 the existing housing market.

17 I think probably that's perhaps
18 as far as I might go now with respect to the activities
19 around Beaver Creek. If there are any questions coming out
20 of that or if there's some area that I haven't talked about,
21 I could perhaps elaborate on it.

22 One thing I think I should say
23 with respect to this training program, is that in the con-
24 struction phase, the unions and the contractors have over the
25 past number of years, conducted training programs to give
26 people -- give workers an opportunity to upgrade their skills

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1 and we've been assured by the unions and the contractors that
2 they will continue this practice for this project.

3 As far as the operating maintenance,
4 I mentioned that we're part of a program which already has
5 skill training in which we would expand if we were success-
6 ful in getting the permit and that's the Nortran Program and
7 it's been going for about seven years and currently, there
8 are about one hundred and twenty northerners who are now
9 getting training -- on-the-job training -- under this
10 Nortran Program and about twenty-five of those positions are
11 with Alberta Gas Trunk Line, one of our sponsor companies.

12 Over the years, northerners have
13 become welders, technicians, operators on the pipeline. So
14 I think the program has worked out to be quite successful
15 and it has given people a chance to advance their skill
16 training.

17 One of the features of the program
18 is that people will come in that perhaps a lower education
19 level than it would normally be the case for hiring Alberta
20 residents and these people are given the opportunity to
21 upgrade their academic standards and then go on to take
22 vocational training and apprenticeship training in the
23 normal manner.

24 MR. CHAIRMAN: Mr. Burrell, I'll
25 just interject long enough to ask somebody near the light
26 switch to give us some light if they would please. Thank you.

1 Does anybody have any questions
2 arising out of Mr. Burrell's remarks? Yes sir, could I ask
3 you please to come to one of the microphones?

4 Mr. Johnnie? David Johnnie?

5 MR. JOHNNIE: Yes, my name is
6 David Johnnnie. I talked this afternoon.

7 MR. CHAIRMAN: Yes.

8 MR. JOHNNIE: Well, there's one
9 thing I couldn't get because -- is the pipeline -- what's his
10 name --

11 MR. CHAIRMAN: Mr. Burrell?

12 MR. JOHNNIE: Yes. Mr. Burrell,
13 They can go out training for a couple years and then I just
14 wondered how long you can go out training and if it's
15 guaranteed jobs. On top of that, I never said this before,
16 but a lot of people have been through here when the gold rush
17 and all that and they had a lot of fur through here. I used
18 to remember when I was a young kid -- I never said that
19 before when I talked this afternoon -- when I was a young kid,
20 I used to be seven or eight years old, I used to be out
21 there trapping, you know, my dad gave me nine, ten traps to
22 go out there and trap, you know, and he gave me maybe five
23 shells. He said you have to get five ducks or five muskracs
24 and come back.

25 We had a lot of game before --
26 through here -- now, I wouldn't say, a lot of people said that

1 -- I mean I'm not putting nobody down -- I'm not putting no-
2 body down in Beaver Creek, White River or anyplace else. A
3 lot of people say we get this land claim and they think we're
4 going to sit back on our so and so and we're going to be
5 all right, but all we're asking is we get so and so and we'll
6 work -- we're the same as everybody else.

7 But Christopher Columbus, he came
8 across here and he said this is Queen Victoria's land -- I
9 think it was her -- he went out on Plymouth Rock -- that was
10 a rock -- he didn't put that flag on the rock. An Indian
11 was sitting in the bush five hundred yards away watching her.

12 It's nobody's land. It's nobody's
13 land. Is it our land? We were here. It's in our blood. We
14 don't need no god-damned title for it. My grandfather had
15 it in his blood and I've got it in my blood right here. That's
16 our title. We don't need no papers for it. That's our land.
17 I ain't saying I'm bragging about it, but we just want some-
18 body -- we just want to control our land. We don't want it
19 to be like New York. You pass this oil through here -- gas,
20 I mean -- excuse me, gas -- pass through here, it goes down
21 to the States and it's spent two ways. Go to the east and
22 west coast, east and west coast -- which side? Canadian or
23 American? That's American side you're going on.

24 Sure, we work up here a couple
25 years, nothing to it. They've got to realize -- my dad's
26 eighty years old and he's been trucking along in this country for

1 a long time and I'd like to follow his footsteps. I'm sure
2 a lot of people don't agree with me. They say, oh hell, man
3 that Indian can get the heck out of here and walk the road.
4 Well, I ain't going to walk no road. Sure, I went to school,
5 I went to high school. I sat behind a desk a lot of years.
6 On top of that, I turned around and went back in the bush.
7 No Whiteman told me to turn around and tell me to go back in
8 the bush. I told myself go back in the bush. Nobody did.

9 I don't want that pipeline to
10 go through. My dad -- when that road came through here,
11 that was when -- the Second World War I guess -- he seen the
12 people come up here and he just couldn't cope with it. After
13 that, I went to school -- I mean, all my brothers went to
14 school and we couldn't talk English. I didn't talk English
15 when I went to school. I'm not begging you -- tell you to
16 stop the pipeline. I ain't asking you to give us the land
17 free either. I ain't asking you for nothing. I just want
18 that land.

19 Christopher Columbus -- he came
20 over here and he said that was his land -- that was Queen
21 Elizabeth I guess, I don't know, somebody -- came over and
22 he said oh, it's his land -- he went out on Plymouth Rock.
23 He can't plant that on Plymouth Rock. But you've got to
24 realize we're the same people as everybody else in the
25 world -- Chinese, Russian, German -- the whole works. We're
26 the same people. Sure, maybe we're coloured different, what

D. Johnnie

1 the heck. We weren't there long enough to get brown or black,
2 but we're people and we want to develop this land our own way.
3 I mean, we aren't going to say, there is no pipeline going
4 through here. I'm not saying that.

5 We want to develop this Yukon
6 our own way. So, you go down in the States and a lot of
7 people say there's a lot of smog down there, but I ain't
8 putting that against them. We just want to develop this
9 country ourselves -- I mean not ourselves -- we just want
10 to get the people together. We don't want everybody else
11 just because this guy has a private business over in this
12 corner here and he's making a little more money than this
13 guy over here in this corner.

14 Sure, they fight a little bit
15 but who's spending the money. Sure, we work three months
16 here and there -- three months here, pipeline moves on. What
17 have we got? We've got nothing. We've got high prices. I'm
18 not saying the high prices are going to stay here. You look
19 at Alyeska -- Alyeska, that pipeline up to Fairbanks -- prices
20 finally going down. Go up to Fairbanks -- forty-one dollars
21 a night for a single.

22 I mean, I'm not saying it's going
23 to happen down here but it's, you know, it's coming down, but
24 this -- I don't know about this forty mile -- you know,
25 that's why I'm against this forty-mile each, forty miles
26 apart. As I read -- these pressures here and there on this

1 pipeline here and they've got a -- just like a high explosive,
2 you know, once it gets high up -- and it'll come down. It
3 has to come down, but I'm not putting nobody down. I just
4 want the people in the Yukon to have the jobs that they -- if
5 they say, yeah, okay, we'll have the pipeline through here,
6 everybody's going to come up here, just like in Alyeska.

7 I tried to work up there -- I
8 couldn't make it. The same thing there. Nobody would know
9 how to put in a pipe or use them -- pipes, you know, hydraulic
10 pipes and all them jazz. Sure, a lot of guys know how to
11 drive cats but you've got to realize, we ain't as fast as
12 you people down there. I mean we ain't slow either. But we
13 want to develop our country -- I mean, that's our country,
14 the way we want to. Okay, thank you.

15 MR. CHAIRMAN: Thank you, Mr.
16 Johnnie. You've -- I noted there, Mr. Burrell, that you
17 might want to say something about it, if not now, perhaps
18 later, but the question at the beginning of that presentation
19 about the availability of jobs for those who do take the
20 Nortran Program and then secondly, the risks -- what's in-
21 volved if the pipeline does break and what kind of damage
22 happens and I think in this afternoon's session, you reported
23 something about the number of occurrences -- was it Wescoast
24 had experienced?

25 MR. BURRELL: Alberta Gas Trunk
26 Line, yes.

1 MR. CHAIRMAN: Yes and maybe
2 you'd like to say something about just what happens when
3 there is a break and what have been the consequences in that
4 situation.

5 MR. BURRELL: As far as the
6 jobs are concerned, as I mentioned, there were twenty-two --
7 there are twenty-two jobs proposed for the Beaver Creek area.
8 In the Yukon total, that number is about one hundred and
9 ninety and overall, about half of those are available to
10 people who have not had any previous pipeline experience.
11 As I mentioned, the training program that would be available
12 to give the people on-the-job skilled training to enable
13 them to take those jobs.

14 Now, as far as the guaranteed
15 of employment, once someone has -- is signed up to take the
16 training program, then they're assured of a permanent job.
17 providing of course, that they meet the rules of the company
18 and the normal rules and regulations that are established
19 company employees, but as I said before, once that they
20 -- once you're hired on to participate in this training
21 program, then you're guaranteed of a permanent job.

22 As far as pipeline breaks are
23 concerned, this afternoon I mentioned that there had been
24 studies conducted in North America by the Office of Pipeline
25 Safety in the United States, which recorded the number of
26 ruptures which have occurred in the pipeline -- breaks

D. Johnnie

1 have occurred in transmission systems and their records show
2 that the -- on average -- there is about .08 pipeline breaks
3 per thousand miles of pipeline, so if you were to equate
4 that to our system, it would come out to about one every
5 twenty-five years.

6 Now, that's statistical. It's
7 an indication of just how frequent a break occurs. Now, in
8 Trunk Line as an example, they've been in operation twenty
9 years. They've had thirteen pipeline breaks. They've all
10 occurred on pipelines of a diameter less than thirty inch.
11 They have not had any pipeline breaks on the large diameter
12 pipelines which we would be proposing to install and they
13 have over a thousand miles of pipeline. They have in total,
14 over six thousand miles, of which that thirteen breaks would
15 apply to over twenty years.

16 Now, what happens if there's a
17 pipeline break, depending upon how large it is, it may just
18 be a leak but it may be a rupture in the pipe, caused by some
19 pipe defect or by a piece of equipment hitting the pipe.
20 What would happen is that gas would rise in the air because
21 gas is lighter than air. The product which we plan to --
22 which we intend to transport through our system is natural
23 gas -- it's not gasoline or oil -- it's a vapour, just like
24 air. It's lighter than air, so that it rises in the atmos-
25 phere.

26 In a pipeline system, the design

1 is such that there are block valves at certain locations along
2 the pipeline so that if there is a pipeline break, that a drop
3 in pressure is automatically sensed and the block valves at
4 either end of the pipeline close and the gas that is admitted
5 to the atmosphere is only from that section which is contained
6 between the two valves which were closed off.

7 Now, on some occasions, there will
8 be a fire result -- it doesn't happen all the time -- but it
9 happens some times and of course, the pipeline width would be
10 one hundred and twenty feet wide so very often, the fire is
11 contained within the pipeline right-of-way, which in fact,
12 acts as a fire break.

13 There have been fires that have
14 occurred in the forest but the experience that Trunk Line has
15 had is that these fires have been limited to something around
16 two to three acres of trees. Generally, the Trunk Line
17 experience has been that if there is a break and a fire or
18 gas is admitted to the atmosphere, that it's brought under
19 control in about one to one and a half hours. That's the
20 experience of Trunk Line. I think that's all I had to say
21 on that unless someone else had a question on it.

22 MR. CHAIRMAN: How far apart
23 are those shut-off valves? Are they regularly spaced along
24 the way?

25 MR. BURRELL: Yes they are. In
26 our system, the present plan would be that they'd be at each

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1 of the compressor stations.

2 MR. CHAIRMAN: Thank you.

3 Sir, I think in the far corner
4 of the room -- I've seen your hand go up earlier. Would you
5 care to come forward please.

6 MR. LIVESEY: Yes, I have a
7 question, Mr. Chairman.

8 MR. CHAIRMAN: Good, could I
9 ask you to come up to one of the microphones if you don't
10 mind. It's not formal but it's for the purposes of the
11 record and Mr. --

12 MR. LIVESEY: My name is John
13 Livesey and I've been a Yukon resident for about thirty-five
14 years.

15 I admit there's many sides to this
16 question as far as the pipeline is concerned and power. My
17 wife and I have only just been back about four or five hours
18 from travelling across the entire country and we noticed there
19 is a tremendous energy shortage in every province in Canada
20 and of course, we were in the Maritimes during the big break
21 when Canada had to turn over to the United States, quite a lot
22 of natural gas, normally not going to the U.S.A. because they
23 were short down there and about the same as our big neighbour
24 to the south and a great helper to us in our economic -- with
25 our economic problems and Ontario is going to take generated
26 electrical power in exchange from coal generators. That's

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1 how Ontario -- I don't recall just exactly what Quebec is going
2 to do, but this is the type of thing that's going on all the
3 time.

4 It's all very fine for us to turn
5 around and blame our politicians for the last hundred years
6 or so, but they didn't foresee that we were going to run into
7 an energy crisis but we have run into one and there is no
8 doubt about it whatsoever and we're being gradually throughout
9 the entire world, we are being gradually hemmed in economically
10 and every other way.

11 There's no question about that
12 and one of the biggest fits that the outer world has today
13 against the Americas -- which includes Canada -- is the energy
14 crisis. This is what it is and they're using it as a weapon
15 and when you go to the gas pumps and fill up your car, don't
16 forget, you're paying the Arabs a royalty. That's what you're
17 doing.

18 If you want to pay the same for
19 natural gas, fine and dandy. If you want to pay for all the
20 other energies on the same basis, all we have to do is run
21 along with our eyes shut and our nose to the ground, not
22 looking either to the right or the left, thinking about our
23 own personal problems or perhaps straight political problems
24 and we'll get a worse world than we've got right now.

25 So, my version on this today is
26 that we better take a hard look at any possible source of

1 energy, no matter where it comes from, if we're going to
2 transport it from Point A to Point B, I'm mighty sure that
3 the environmental problems will be well taken care of and
4 they have to be and I see nothing wrong with that at all.

5 But you look at the rest of the
6 world and you'll see pipelines in -- in Southeast Asia, you'll
7 see pipelines in Russia, you'll see pipelines in the Middle
8 East, in South America, all kinds of pipelines in Venezuela.
9 I don't hear anybody crying down there. I went and made
10 several runs during the last war down to Venezuela to bring
11 crude oil to Europe that was in dire need of that type of
12 energy.

13 We're in dire need of energy --
14 right here today and the way I see -- this discussion here
15 today is, how much of a problem is it going to be to take
16 energy from Prudhoe Bay to the United States? It's the
17 shortest route, there's no two ways about that. If you look
18 at any other route, you can -- how about the Mackenzie --
19 if this is going to be a tough one, how about the Mackenzie?
20 That's god knows how many times a worse problem than trans-
21 porting it from Prudhoe Bay to Fort Nelson and I believe
22 that's the terminus -- that's where we already have a pipe-
23 line.

24 So, if that's going to be tough,
25 I don't know wide a scope of land they're going to take up.
26 Is it going to be twenty feet, forty feet, a hundred feet,

1 a thousand feet, what's it going to be? In the Yukon, we've
2 got two hundred and seven thousand and seventy-six miles of
3 land and water. All we have to do is make sure, with proper
4 agreement, on an international basis, and I'm mighty sure that's
5 the way it's going to be, that whatever is done is going to be
6 done to the benefit of Canada and especially to the people of
7 the Yukon.

8 Now, there is one question there
9 that I would like to raise at this point, Mr. Chairman. With
10 regard to a statement made during the film presentation and
11 that was that the people of Beaver Creek were going to get
12 natural gas. Now, I don't want to dispute or bring into any-
13 one's mind that I'm disputing this statement, but I'm
14 wondering in this room here now, on what basis we can sit
15 back and say, we can rely on that statement -- it's coming
16 from a super source.

17 The point I'm raising is, of
18 course, and I'm mighty sure, irrespective of this Inquiry or
19 all the good gentlemen and ladies that are involved with it,
20 that in the final analysis, it will probably be Mr. Trudeau
21 and Mr. Carter vis-a-vis their various aides and concerned
22 people that will eventually come up with the answer.

23 I think these are the gentlemen
24 that are going to solve the situation and what is going on
25 right now is a mere preliminary. One thing I would like to
26 state and that is, I hope that this Inquiry -- that you're

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1 taking right now -- doesn't extend as long as Mr. Berger's
2 Inquiry, and all good blessings to Mr. Berger, but I think it
3 cost the people of Canada, hundreds of thousands if not
4 millions, of dollars to pursue this kind of inquiry. What
5 are we doing here with all these various Inquiries? Sure, I
6 think it's a good government thing, you know, the political
7 aspect of various forms of government, both Federal and
8 Provincial and Territorial, if they can't answer a question,
9 they get an Inquiry going or they hire a Commission or they
10 do something else.

11 But all these things cost us a
12 lot of money and in the end, instead of us having a cheap
13 product, we've already upped the price of the thing to start
14 with to such an extent that in some instances, a lot of people
15 can't afford it. So what I'm hoping is that in this particular
16 thing, although it is of course, a question of international
17 politics more than anything else, I hope we're not going to
18 drive the price of everything else up along with it and I
19 heard this question come up a little while ago.

20 I'm not thinking entirely along
21 the same lines as other people have been thinking about --
22 local prices -- what I'm thinking of is the cost of energy.
23 If the cost of energy goes up in the United States, the
24 cost of energy will go up in Canada and it's going high right
25 now and you can figure it out for yourself.

26 Every time you raise the cost of

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1 energy or put a block in its path or make it more difficult
2 to obtain it, you're adding to the cost of communication,
3 you're adding to the cost of transportation, you're adding to
4 the cost of goods and services, of food, any -- practically
5 anything that you can consider, you're tacking an added extra
6 non-explainable bill to what you want to buy.

7 So the result then is, of course,
8 you've got to have higher wages to pay for all this sort of
9 thing and the result of that, on the ever-increasing circle,
10 is that you're going to wind up with some more higher prices
11 and higher inflation and higher inflation -- you know what
12 happens there. Why, we lose our foreign markets and then
13 we have no -- and then we get higher unemployment and you're
14 back into that circle again.

15 It's all -- we can base a lot of
16 this -- our biggest problem that we're facing today, irrespec-
17 tive of where the shaft may be coming from, it's -- you can
18 put it back on energy, you can lay it at the feet of a few
19 people in this world who know what kind of a target they've
20 got, what kind of a weapon they've got and they're using it.

21 We have to help ourselves, so I
22 would suggest, Mr. Chairman, the sooner we get on with
23 development, more research in our own country to fight off
24 this problem, the more we're going to enjoy living in the
25 future as well as living now.

26 Thank you very much.

1 MR. CHAIRMAN: Thank you very
2 much, Mr. Livesey. I think I can provide reassurance on one
3 score. You mentioned as a matter of concern, the length of
4 life of this Inquiry and our terms of reference provide that
5 we'll self-destruct on August 1st, so I hope that won't be,
6 therefore, a major cause of concern to you.

7 In the course of your remarks,
8 I think you also referred to the matter of gas supply to
9 Beaver Creek and I'd be glad to relay that in the form of a
10 question for Mr. Burrell's attention. I'm not sure that I
11 got the question though. Would you like to repeat it or
12 perhaps Mr. Burrell did and would care to respond to it, but
13 I think you did indicate there, that there was something in
14 the film presentation that created a question in your mind
15 as to the feasibility or the reality of gas supply to Beaver
16 Creek. Could I ask you to --

17 MR. LIVESEY: Yes, Mr. Chairman.
18 I wasn't -- you know, I wasn't throwing a bamboo shack into
19 the thing or anything like that, but I was interested in the
20 statement that you know, that we would obtain natural gas in
21 Beaver Creek and I might suggest too, that if we're not going
22 to get natural gas in Beaver Creek, I would take a sidelong
23 look at the whole issue.

24 I think if the Yukon isn't going
25 to gain any benefit from this pipeline coming through the
26 territory, then we better start talking in different ways all

together. But what I was thinking of when I asked the question, was with everybody's fear of this route, you know, we don't have President Carter here or we don't have Pierre Trudeau here, just on what basis of authority are we hearing that we are going to get this natural gas?

I've seen this happen before you know, when the public are told well, this will happen and that will happen and then in about two or three months time, why along comes some big politician and he says oh, that was all a mistake you see. Somebody turned over the wrong page in the bureaucratic office back East or somewhere. So this is what I'm thinking of and I hope I've explained it so that we can get an accurate answer from the gentleman who proposed the issue.

MR. CHAIRMAN: Thank you. Mr. Burrell, would you like to respond to that please?

MR. BURRELL: I've mentioned that we have done some studies -- some preliminary studies -- which have indicated that the cost of natural gas to Beaver Creek would be lower than what the cost of what we've forecast the cost of fuel oil to be.

The question's a good one. I think we all recognize that the gas which is flowing in the pipeline is American gas. With that in mind, what steps have been taken to assure a gas supply to the Yukon communities, first of all, is that in the application which was made to the

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7 Federal Power Commission which is the U.S. regulatory agency
8 that basically investigates and recommends which of the pipe-
9 line routes should go forward, in the application to that, it
10 was included as part of the proposal, the supply of natural
11 gas to the Yukon communities.

12 The arrangement would be that
13 American gas would be delivered to the Yukon communities and
14 an equivalent amount of gas would be put back into the pipe-
15 line in Alberta so that the U.S. would realize the same
16 amount of gas that they put into the pipeline, less the fuel
17 it took to transport it.

18 Now, as far as what's been done
19 at the National Energy Board, the supply of natural gas to
20 the Yukon communities is included as part of our proposal, as
21 filed with the National Energy Board. In addition to that,
22 we have made arrangements with Pan Alberta Gas, which is a
23 Calgary company, who provide gas supply to provinces outside
24 of Alberta and what they have undertaken to do is to make an
25 application to the Energy Resources Conservation Board of
26 Alberta for a permit to withdraw gas from Alberta and deem it
to be delivered in Yukon.

Now, that application will be
going to the Energy Resources Conservation Board, I think
next week, if not next week, very shortly and we foresee no
difficulty in having a gas supply available to the Yukon
communities.

1 There is surplus gas available in
2 Alberta and it's just a matter of designating a long term
3 supply of Alberta gas to the Yukon communities. The quantity
4 of gas which is required in the Yukon is relatively small
5 compared to what Toronto would use, for instance, so we see
6 no difficulty at all in making that gas available.

7 One other thing I wanted to clear
8 up too is that when I was speaking earlier about fires and
9 so on on the right-of-way, I have mentioned that the
10 experience of Trunk Line was one to one and a half hours to
11 put a fire out. We would expect that our length of time would
12 be something similar to that, but we have a bigger line so
13 the time may be a little longer but certainly, what I've
14 brought forward was the experience of Alberta Gas Trunk Line
15 in their years of operation.

16 I'd also add that it's a normal
17 practice for the pipeline companies to work closely with the
18 forestry department to control any fire that breaks out as a
19 result of the pipeline activities or in fact, on many
20 occasions, the pipeline company makes its equipment available
21 to the forestry department to fight fires which are normally
22 caused or not -- certainly not associated with the pipeline.

23 JIM LOCKHART, Sworn.

24 MR. LOCKHART: Yes, my name is
25 Jim Lockhart. I'm not a resident of Yukon, I'm a resident
26 of British Columbia -- Southern British Columbia -- and actually

J. Lockhart

1 until recently, I haven't really paid much attention to the
2 pipeline and there's been one thing that's been bothering me
3 for quite a while about the pipeline, is that why there seems
4 to be an insistence by the pipeline companies to hide a viable
5 alternative.

6 There is a very viable alternative.
7 It's kind of a funny thing that I noticed that it's a typical
8 thing that I deal with everyday in my particular job. It is
9 called "greed." It's a basis that mankind seems to want to
10 live on, which is to make a fast buck. It seems that it's a
11 lot easier to make ten dollars in one day than it is to make
12 two dollars in ten days.

13 The viable alternative I'd like
14 to introduce is called the railway. It's one of the oldest
15 methods of transportation, it's what opened up this continent.
16 The thing about a railway is that with the pipeline, it's
17 going to be used for natural gas. The natural gas will run
18 out and no matter what an oil company tells you or a gas
19 company, it is a finite resource so that the usage of the
20 pipeline is a finite usage.

21 Once the natural gas is used up,
22 the pipeline is no good to anybody. With the railroad tracks,
23 there will be certain costs -- I recognize there will be
24 losses in liquefaction of natural gas and there will be cost
25 of maintenance, but the difference will be:

26 (a) the training will be much

J. Lockhart

1 less. I've seen examples in Northern Ontario and I'm an
2 original resident of Northern -- or Southern Ontario, but I
3 travel through Northern Ontario, and one of my concerns has
4 always been -- so it probably won't be too popular here -- but
5 it has been a native population. From talking to the native
6 population in that area, what they say -- like the way they
7 put it -- you put a pipeline through there, someone has to
8 co-ordinate it. There's always someone coming in, more or
9 less interfering with what things that are going on, if you
10 want to look at it that way.

11 With the railroad track, each
12 person is given his unit, they say here it is, you maintain
13 it and as long as you maintain your section, we're happy.

14 The biggest thing about a railroad
15 is that, versus a pipeline, with a pipeline the natural gas
16 will flow one way. With the railroad, you'll get natural gas
17 going down, you'll get food and supplies coming up. You can
18 add cars on, open up lines if that's your wish. You can do
19 anything with it that you want. You'll have an alternative
20 to the White Pass Railroad system which I don't exactly admire
21 myself. You will be able to work out something between
22 the provinces and the State of Alaska.

23 The State of Alaska has existed
24 in a state of isolation. The only methods of getting there
25 are by a gravel road and by the marine system. If you
26 travel the marine system you know, you can only get so far and

Lockhart, Burrell

1 you have to pass through Canada.

2 The logistics of a rail system
3 of transiting vehicles through is quite viable. I deal in
4 a Southern British Columbia port and I've seen the logistics
5 of doing such a thing and just -- it's viable. The thing
6 about a pipeline is it's a greedy situation. All they're
7 saying is this is what we want to do is to make our twenty
8 bucks, we'll give you fifteen, that's fine.

9 There's only one problem. You've
10 got to maintain it. Who's going to pay for the maintenance.
11 That's my question.

12 MR. CHAIRMAN: Who's going to
13 pay for the maintenance of the pipeline? All right. Thank
14 you, Mr. Lockhart.

15 MR. BURRELL: The cost of main-
16 taining the pipeline is one of the costs associated with
17 transporting the gas. The cost of maintaining it is included
18 with the cost of servicing the debt, municipal taxes which
19 are paid to -- in this case, would be to the Territorial
20 Government -- these costs are all added together and they're
21 charged to the people who actually use the gas in the market-
22 place, so I guess the quick answer is that the people that
23 use the gas are the people that pay for the maintenance of
24 the pipeline.

25 MR. CHAIRMAN: Thank you. Yes,
26 would you come forward please?

MR. CHAIRMAN: Sir, could I
ask you to identify yourself please.

DAVE HENDRY, Sworn.

MR. HENDRY: My name is Dave
Hendry. I've been the Yukon for approximately two years. I'm
no expert up here on anything, but I'm very curious as to
where I can get more information on the feasibility of a
railhead. I asked the preliminary committee when they came
through, to get me some more information on it and granted,
I got a little bit of information, but nothing as to what's
gone through, maybe a dozen pages or less.

That's something I'd like to
bring up but I don't have any information on it so I'll have
to let it pass. In April I was in Fairbanks and Valdez
and Anchorage, I saw a lot of people that were used to making
sixty thousand dollars a year. All of a sudden, making ten.
Not very pleasant.

I'm kind of curious as to what
kind of profit the pipeline is going to make, compared to
what's going to happen to the Yukon. Who's going to make the
most money out of this show? Is it the type of thing that's,
you know, once the Yukon's been bought off, the pipeline gets
the gravy, or is it going to be beneficial to both of us for
the life expectancy of the pipeline which is what -- maybe

1 twenty-five years from what I've heard?

2 I have no idea what's really
3 happening. The information has been rather scarce. I've got
4 one question that's directed at the pipeline representative
5 as to fire costs. Who pays the bills for putting out the
6 fires -- probably the Federal Government and the equipment is
7 granted, will be available -- for probably at a very high
8 price.

9 Who gets -- how are you going to
10 set up your residency requirements? These are the type of
11 things that I would like to know. I -- granted, I can't
12 spend the rest of my life up here because the Yukon doesn't
13 have the opportunities I'm looking for. I would like to
14 see some sort of residency requirements set up so that the
15 people who live here and have lived here for the past ten
16 or fifteen years, can benefit from it, rather than the new-
17 comers like myself or the ones who come up as soon as it's
18 a sure thing.

19 Even in Whitehorse, I've seen a
20 lot of welding trucks with Alberta plates. They're trying to
21 get the Yukon residency in? I just have so many questions
22 and there's no answers. That's all I have to say.

23 MR. CHAIRMAN: Thank you. I'll
24 ask Mr. Burrell if he can respond to any of the points you
25 raised.

26 MR. BURRELL: I'm not sure I got

1 all the questions but I've written down a number here.

2 As far as the railroad study is
3 concerned, there have been a number of railroad studies per-
4 formed. I believe if the gentleman would contact Queen's
5 University, they undertook quite a large study on the potential
6 of using a railway system.

7 As far as the rail system, there
8 certainly are people who are saying that that's a preferred
9 way to go, but certainly in our studies, and we've looked at
10 other methods other than railway, we've concluded that the
11 most efficient way in which to transport the gas is by pipe-
12 line and to date, no one has -- although there's been a con-
13 siderable number of studies, really no one has come forward
14 with a proposal to construct a northern railroad to transport
15 the gas.

16 Now, as far as the -- making money,
17 who makes the money on the -- on a pipeline, a pipeline company
18 is very closely regulated as to how much return they can
19 make on their investment. Our pipeline company, if we are
20 successful in getting the permit, will be under the juris-
21 diction of the National Energy Board and the National Energy
22 Board will set the rate of return which the pipeline can
23 realize or will realize, so it is not arbitrarily set by the
24 pipeline company itself, but it will be set by the National
25 Energy Board.

26 Now, as far as -- I think

1 the question was -- if there's a fire started as a result of
2 the pipeline, certainly as we've said many times in the
3 formal hearings, that if there's an instance that is a direct
4 result of the project, then the project would be responsible
5 for it.

6 The other -- another question of
7 availability of equipment to fight forest fires is -- I
8 assume that he was referring to those that are started away
9 from the pipeline right-of-way. In my experience, I know
10 that the pipeline company does make their equipment available
11 to the forestry department for use in fighting forest fires
12 and I'm not aware of the company's ever having charged for
13 the use of that equipment.

14 Were those -- were there any other
15 questions that I --

16 MR. CHAIRMAN: The only other
17 question I noted, Mr. Burrell, had to do with residency
18 requirements.

19 MR. BURRELL: Right. As I
20 mentioned this afternoon, one of our positions is that
21 preferential hiring treatment will be given to Yukoners.
22 We feel it's extremely important that the definition of a
23 Yukoner be established and universally recognized. What we
24 are saying is that we look to the Government of Yukon or
25 perhaps this Inquiry, to establish such a definition, certainly
26 as far as this -- a minimum as far as this -- as our project

Burrell, Hendry, Phelps

1 might be concerned, because really, if the Yukoners are going
2 to get the maximum employment benefits from the -- if true
3 Yukoners are going to get the maximum benefit from this
4 project, then a definition of a Yukoner is extremely important.

5 MR. CHAIRMAN: Mr. Hendry, do
you have a supplementary?

6 MR. HENDRY: I just have one
7 point to add. When I was in Alaska, from a number of
8 different sources, I was informed that the going street
9 prices for a residency card was approximately sixty dollars.
10

11 MR. BURRELL: I guess that's
12 why it's really important to establish first hand, what a
13 Yukoner is, if, here again, if they're going to get the
14 maximum benefit out of what the pipeline has to offer as far
15 as employment is concerned.

16 That's one of the big problems
17 in Alaska too, is the -- was the hiring practices which were
18 undertaken there. I believe we've all learned from the
19 Alyeska experience and one of the things that we -- one of
20 the policies that we have undertaken and put forward, is that
21 all the hiring of southern workers will be done in the south
22 and that only Yukoners will be hired in the Yukon.

23 MR. PHELPS: There was a question
24 earlier from Mr. Livesey about the width of the right-of-way.

25 MR. BURRELL: It's a hundred and
26 twenty feet wide.

1 MR. CHAIRMAN: I think Mr.
2 Lockhart has a supplementary and I saw his hand go up when
3 you were talking about the railway option so I suspect it
4 relates to that.

5 MR. LOCKHART: I'd like to get
6 to two basic points. One is that -- okay, I am a trained
7 geologist from university -- and when I was going to university,
8 I remember the oil companies giving a great big story which I
9 myself probably swallowed, about how much we had great supplies
10 of energy, enough to last us and the world and we were
11 heading for Utopia. I've done a study of the north slopes
12 myself and my own personal feeling is that the gas and oil
13 companies doing that, are dealing a little bit of a trump
14 ace up the sleeve and telling you that there's more resources
15 than there is -- what there really is -- that they still don't
16 know how many resources are there.

17 I feel, from just my own readings
18 from very qualified people who I really can't name right now
19 because they could be disqualified by the time I'm talking
20 because I've been three weeks out of the news -- but as they
21 were saying, there's a twenty-five year supply.

22 My first question is, what
23 happens to the people of the Yukon after twenty-five years
24 from now when they'll have an empty pipeline and nothing that
25 they can do with it? Another thought that comes to mind is
26 the fact that I work for Canada Immigration at the Blaine

26 MR. BURRELL: Certainly, the

J. Burrell

1 reserves in the Prudhoe Bay area are currently estimated to
2 last twenty-five to twenty-eight years. The potential in the
3 area is very good. We would expect that there would be more
4 gas reserves found and so that would extend the life of the
5 pipeline but granted, I have to admit that in time, the gas
6 supply will run out. It's like any other area, if the gas
7 supply runs out, of course, the pipeline is -- may not be of
8 any value but then, we're looking at twenty-five, forty years
9 into the future and it may very well be that the pipeline is
10 used to transport water or it may be used to transport food
11 in capsulized form. I really can't say right now, but these
12 possibilities do exist and certainly the supply of gas is
13 estimated at least twenty-five, twenty-eight years and
14 certainly a much longer time than that.

15 I think it's -- as far as the
16 Alyeska situation is concerned, certainly they've had problems
17 in the Alyeska pipeline. We spoke about that at the formal
18 hearings in Whitehorse. They have had difficulties. I think
19 if you want to call it this, we have the advantage of seeing
20 what has happened in Alyeska and have learned from their
21 experiences and can design a project to overcome the problems
22 which -- or many of the problems of which they've experienced,
23 but I don't think it's really fair to totally compare our
24 project with the Alyeska project because there are many
25 differences.

26 There's -- just the size of the

J. Burrell

1 job. At one time, I think the peak requirements were about
2 twenty three thousand. Ours is ten per cent of that. They
3 constructed the Valdez terminal. We're building only the
4 pipeline system.

5 In Fairbanks -- Fairbanks originally
6 encouraged Alyeska to bring its work force into Fairbanks
7 and to locate one of its construction camps right in the
8 community. They saw there was an economic advantage to doing
9 that. I think as a result of what's happened in the Alyeska
10 situation, if they were to have that choice again, they
11 wouldn't do it. We, as part of our policy position, say
12 that we will have self-contained camps, well removed from the
13 communities, we won't provide casual transportation for the
14 people to come into the communities.

15 So, I think we have learned from
16 the Alyeska situation. I think you also have to look at
17 what's happened in other construction activities in Canada.
18 There was pipelines built in Northern Alberta and have gone
19 ahead with no difficulty. I know that this last December
20 there was a tour of Yukoners went down to Northern Alberta to
21 see pipeline construction and the ones that I've talked to,
22 certainly concluded that there was no particular detrimental
23 impact on the small communities near the pipeline construc-
24 tion.

25 You have to look at Fort Nelson.
26 I think Fort Nelson has experienced considerable pipeline

1 exposure and Fort Nelson really hasn't, as I understand,
2 suffered any undue consequences as a result of construction.
3 Even in Fort McMurray, my information is that the construc-
4 tion of that facility where they have workers in isolated
5 camps with good recreational facilities and a tavern as a
6 matter of fact -- that very few people actually go into Fort
7 McMurray from the construction camp.

8 Does that --

9 MR. CHAIRMAN: Thank you very
10 much, Mr. Burrell.

11 MR. PHELPS: I guess we're going
12 to be taking a break pretty quickly because the court reporter
13 is overworked and she needs a rest.

14 I'd like, myself, to urge every-
15 body here to -- once we finish the break -- to come forward
16 and say what they think about the pipeline. We're here to
17 assess what everybody thinks in Beaver Creek, about the
18 pipeline. It's important we know now, because your Government
19 -- the Federal Government that is -- is going to be making a
20 decision prior to September and this is really your chance to
21 give us your views as to whether you want it or don't want
22 it.

23 I know that most of you here must
24 have an opinion. I know it's difficult to get up and be
25 sworn and speak into a microphone before a bunch of people
26 with a bunch of lights on you and so on, but it is very

1 important, the fact that this is a preliminary Inquiry, doesn't
2 and shouldn't detract from the fact that this is going to be
3 your last chance before the decision is made in principle
4 by the Federal Government, for you to say what you think.

5 It doesn't have to be anything
6 fancy, but we'd like to know the attitudes of everybody here.

7 I do hope that after the break that you do come forward
8 even if it's just to say something very simple and brief.

9 Thank you.

10 MR. CHAIRMAN: Did you wish to
11 make a comment now or just after the break?

12 JOHN McPHAIL, Sworn.

13 MR. McPHAIL: My name is John
14 McPhail and I live at Beaver Creek. I have a business here.
15 I was born and raised in Canada. I've paid taxes since I was
16 fifteen -- that's fifty years ago, I started paying taxes.
17 Quite heavy too. We have raised a family of six in the Yukon
18 and they remain all in the Yukon, except one.

19 This pipeline seems to be a thing
20 that has been kicked around a little. I have listened to the
21 radio quite a bit. I also lived in the Northwest Territories
22 for some time. I freighted on the Mackenzie River. I know
23 the country fairly well. I knew a lot of people there thirty
24 years ago -- thirty-five years ago. I can't see anyplace
25 on the Mackenzie River, why there can't be a pipeline built.
26 Or why a pipeline would be of any obstruction to anyone.

1 I freighted oil in 1943 or 4 to
2 the Eldorado Mine up on the north end of Great Bear Lake
3 from Normam Wells. We had six, seven tractors and we seen
4 the migration of the Caribou. No one will ever know what
5 the migration of Caribou is until they see it actually. They
6 walk through the bush -- we started off in about the fifteenth
7 of January. We didn't see too many in January because we
8 were a long time making the first trip, but we were a little
9 better organized for the second -- well, we made five trips,
10 but the rest of the trips were better organized and we moved
11 along better.

12 The second trip -- the slays
13 set right on the road while we stopped and ate and fueled
14 our machines, greased and whatnot. The Caribou never stopped.
15 They just walked right over the bunt poles and the slays
16 around the kitchen and we had a thirty-eight forty rifle
17 which we could pick the choicest of meat off with.

18 That was just about the same as
19 a slingshot, so you have an idea what -- that they never even
20 seen us, I don't think, or if they did, they didn't realize
21 who we were or what we were.

22 Now, I've heard a lot of people
23 say that this pipeline is going to interrupt this wildlife
24 and so on, but I cannot see it. A buried pipeline through
25 the country is not going to hurt no one and if you're looking
26 at twenty-five to thirty years and twenty-five to thirty years

1 from now, well probably that pipeline won't -- wouldn't stand
2 to be pumped with pressure through it.

3 Now then, through this moose
4 pasture here, there is nothing to hurt, that I can see, other
5 than where you cross the river and there's -- the gentleman
6 told us here, explained it to us, that they go under the
7 river. I've seen one cross the Mackenzie, in fact, I helped
8 put it in and that one was just laid on the bottom of the
9 river. It wasn't dredged, only near the shore. It never
10 hurt nothing, so far as we ever knew and I think it's still
11 there.

12 As far as the jobs deal goes, I
13 believe in Yukoners being able to have a job, which many of
14 them could have a job. There's all kinds of fellows coming in
15 here that go and dig for gold. There's coal in the hills here.
16 If somebody went and mined it, I'm sure that it could be sold
17 and they talk about no unemployment. Well now, if I was young
18 again, before I'd go on welfare or anything like that, I'd be
19 out there digging coal or I'd do something different than
20 that.

21 In fact, I have in the past, cut
22 wood here in the Yukon and sold it to make a little extra
23 money. I like the Yukon myself. I came to the Yukon, I in-
24 tend to stay here too. Anyone who wants to go to work here
25 in the Yukon, I think can go to work at anytime that they
26 really want to, if they're willing to do what they can and do

1 enough of to warrant getting a wage of any kind. I don't
2 think there's anyone that needs to go without work here in
3 the Yukon, whether -- regardless of who he is.

4 As far as the educational part
5 of it to go out on the pipeline, I am not going out on the
6 pipeline. I've passed that age. They wouldn't hire me even
7 if I went to Calgary and had the experience, I don't think --
8 where is he -- but I think that the person who wants to work
9 on the pipeline, it wouldn't hurt them to help a little bit
10 to get that experience.

11 They say they'll just pay it all.
12 Well, I think that's duck soup myself. When I wanted to upgrade
13 a little bit, I went to Peoria for a couple of winters. I
14 paid my own shot, and I got a whole nickel an hour after. So,
15 I think that this pipeline where it gives employment, there'll
16 be a revenue coming to the Yukon for taxes of some kind,
17 whether it be by the gallon or by the cubic foot or whatever
18 it might happen to be or by the acre or whatever it might
19 happen to be, it should be a fair revenue to the Yukon, which
20 has got no revenue now and never will, if they don't do some-
21 thing different than what's been done in the past.

22 It isn't even good moose pasture
23 and the pipeline that is already in, if you want to see game,
24 you don't see it anywhere else, you go and look on the pipe-
25 line, you'll see it. I would say that the pipeline would
26 be a remedy to the -- even the strip through would be a

1 benefit to the game myself.

2 I think if everyone thought that
3 way, I don't think there'd be any holdup in this pipeline
4 and there wouldn't have to be all this here preparation for
5 the pipeline which would ease cost a little.

6 Well, that's about it and thank
7 you all for listening.

8 MR. CHAIRMAN: Thank you very
9 much, Mr. McPhail for your submission. I'm going to suggest
10 now that we take a coffee break of about fifteen minutes.

11 (PROCEEDINGS ADJOURNED).
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1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 MR. CHAIRMAN: Ladies and
3 gentlemen, I'm going to ask now that we continue with the
4 proceedings and would invite anyone who wishes to do so, to
5 come forward please with a statement or a question or a point
6 of view. Yes?

7 MR. HENDRY: As it stands now,
8 I'd just like to sum up my feeling on it from the information
9 I've received so far.

10 I don't want to see a pipeline
11 but if it comes through, I want to make my money on it. That
12 is the way it stands, that's the way I feel. Thank you.

13 MR. CHAIRMAN: Commensurate, it
14 sort of reminds me that when Mr. Hendry raised the question
15 about residency requirement before in his observation just
16 now, I'd intended to mention that the one submission we've
17 had is to how you define you the Yukoner for purposes of
18 employment that we've had so far, has come from the Chamber
19 of Commerce and their suggestion was that it be -- for
20 purposes of employment -- Yukoner be defined as someone who's
21 been here since January 1 of '77.

22 I expect we'll get other suggest-
23 ions about how it would be defined but that's the one we've
24 had so far.

25 Sir, may I ask you to identify
26 yourself.

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1 times and I would hate to see them go crazy with Yukon, even
2 though I've only been here since September.

3 I suppose that the weight of
4 logic rests with Mr. Livesey's earlier arguments. We are in
5 an energy bind all over the world. The Arabs have us by the
6 unmentionables when it comes to that. We do need more energy.
7 I wonder if it's necessary for it to be fossil fuel energy.
8 I suppose that it's inevitable that the pipeline will go
9 through and I think that's probably unfortunate, because if
10 the pipeline goes through, then the heat's off.

11 This last year, during winter, our
12 people down in the south -- our neighbours -- probably had it
13 brought home to them for the first time that there is a finite
14 supply of oil or gas or anything else and that it can only be
15 spread around so far and only so fast. But now, we magnani-
16 mous Canadians are going to come to their rescue with a pipe-
17 line to solve all their problems, pipe all their oil down
18 through our territory not their oil, their gas, down
19 through our territory to the United States and take the heat
20 off of their confusion, when what's really needed, is less
21 use of this kind of energy and perhaps less investment in
22 these finite fuel sources and more looking at renewable fuel
23 sources.

24 I think every time that I pass
25 through Destruction Bay that the power needs of that community
26 could probably be served quite ably by a number of power-

D. Davidson

1 driven, wind-driven windmills and the Principal down there
2 seems to agree with me.

3 I don't know what you could use
4 for an alternate source here in Beaver Creek other than the
5 system we have. We don't have wind of that sort but there's
6 probably something. Surely in the summer here in Yukon, it
7 would be a prime place to use solar energy at least for that
8 period and try and develop that. I know it's not much help
9 in the winter, but perhaps there's some sort of storage
10 capability or perhaps we could generate more than we could
11 use in the summer that way and then trade off with the south
12 during winter.

13 The railway proposal that's been
14 mentioned here tonight, that's the first time I've ever
15 heard that and like Mr. Lockhart and Mr. Hendry, I'm curious
16 as to why I've never heard about that before. It did occur
17 to me, once, but I thought about it in these terms, that the
18 overhead, the cost of capital maintenance and employment would
19 probably reduce the profits of oil companies and not be so
20 profitable for them and therefore, they're not likely to do
21 it I'm afraid, like Mr. Hendry and Mr. Lockhart, I am some-
22 what of a cynic when it comes to big business and bureaucracies.

23 Part of my cynicism regarding big
24 business and bureaucracies comes from the way that this
25 community is currently being shafted by the Canada Post
26 Office, but we won't go into that right now. I could go into

1 it further, but this really isn't the time and place. If
2 anybody wants to talk about it, I'm happy to.

3 The final thing that worries me
4 is the social impact and this brings me back to my beginning.
5 I'm very afraid that a number of years down the line, somebody
6 will be saying gee, we learned a lot from the Yukon experience
7 and we won't do it that way again. I'm worried that people
8 that are on relatively fixed salaries like myself and many
9 of the employees in this town, will not find those salaries
10 able to bounce up and down in response to the boom and bust
11 psychology which bringing in a pipeline will inevitably
12 encourage here in the territory.

13 I'm wondering what thoughts the
14 Government is going to bring out and what things they are
15 going to try to do to control this kind of a problem because
16 it really should be controlled. We have the experience of
17 many booms here in the Yukon. It seems one right after
18 another, the first gold boom and then the secondary gold boom
19 when it was discovered that by destroying the landscape, we
20 could get even more gold out.

21 Then there was a minor boom when
22 the highway came up through and now we're going to have another
23 boom for a pipeline. Sometimes I wonder if it's worth it but
24 then I realize that twenty-one thousand people can't hold
25 back the progress of all of those people in the south. I'm
26 wondering if progress isn't in directions which is ultimately

1 very dangerous to us, which are ultimately very dangerous to
2 us, whether we should be continuing to gobble up energy at
3 such a rate that we can't possibly hope to replenish it or
4 possible hope to survive the crash that comes when it runs
5 out, because when the oil runs out, we don't have any way to
6 power those factories any more, unless alternate sources have
7 been investigated and perfected in the meantime.

8 The money to perfect these
9 sources is not being spent. Instead we're spending billions
10 on pipelines which can be used for twenty-five years. As far
11 as the twenty-five year estimate goes, I'm wondering how
12 reliable that is. It was only just recently, only in the
13 last year or two, that our National Energy Board -- the people
14 who investigate these things -- the people who supposedly
15 don't have a vested interest in trying to persuade us that
16 there's more there than there is -- told us that we had enough
17 fossil fuel reserves to see us well into the next century
18 with no trouble at all.

19 Then all of a sudden, when the
20 energy crisis hit in 1972, we discovered that those estimates
21 had been grossly overstated, I believe the phrase was. An
22 unfortunate error certainly. Are we about to make a similar
23 unfortunate error?

24 MR. CHAIRMAN: Thank you, Mr.
25 Davidson. I noted one or two questions there, Mr. Burrell.
26 I think one had to do with the frequency of -- or no, the

1 length of experience with over thirty inch pipelines.

2 MR. BURRELL: As the gentleman
3 said and as I said earlier, Trunk Line has not experienced
4 any line breaks on their large diameter pipe. The first
5 pipeline in large diameter over thirty inch was installed in
6 Trunk Line in 1962. The other statistics that I quoted, I
7 think, was .08 ruptures per thousand miles per year.

8 That was, as I mentioned, from
9 the Office of Pipeline Safety in the United States. I'm
10 afraid I don't have the number as to -- or the years to when
11 the first pipeline of thirty inch in diameter or over,
12 was installed, but this particular statistic that I did quote
13 was based upon the history of thirteen thousand miles of
14 thirty-six inch diameter pipe and larger, but as far as when
15 that was the first thirty-six inch was installed, I'm afraid
16 I don't have that information.

17 MR. CHAIRMAN: Does anyone else
18 have a question or a statement to make at this time? I would
19 just remind you again, that we would very much like to see
20 the proceedings as informal as possible so I hope you won't
21 feel hesitant just because you haven't prepared an elaborate
22 piece. Yes sir?

23 MR. LEDERGERBER:
24 my name is Beat Ledergerber. I've been in Beaver
25 Creek for a few years, saw many things come and go, many
26 people come and go.

B. Ledergerber

1 I don't know about this pipeline.
2 This will be the third one we have up here so why all this
3 fuss? You turn on the radio in the morning, it's pipeline,
4 you turn it on at noon, it's pipeline and it's always in
5 Pipeline Inquiry, Inquiry -- nobody knows anything yet. You
6 get tired of it and so you just -- we don't have another
7 channel on the radio, that's no offense man, so we just
8 switch it off.

9 I don't know -- I don't know how
10 many people are living here or are out there right now, do
11 know about the three inch pipeline. That's been here since
12 the war from Canol. It hasn't made any -- brought, you
13 know, it's forgotten. It's here -- laid here -- and it's
14 torn up partly. Some of it is still laying around, then the
15 eight inch came in. Most of the people -- or some people
16 don't even know it's laying there, it's been closed down in
17 the early '70's.

18 Like I said, why such a big fuss.
19 Pipelines, pump stations came in in '62 or -- yeah, '62 or
20 early '62 they came out. I was operating the mill then for
21 a lumber yard in Fairbanks and they said you got a cat, he
22 says we want to -- land cleared -- we're going to put up a
23 pump station. Okay, so we cleared land. It was fifty below.
24 So we cleared the land, they came in, put in a pump station.
25 That was it. Six people -- six families and Snag was going
26 strong, so we had about -- well, that almost made up for this

B. Ledergerber

1 twenty-two lobby that we're going to have here, but it wasn't
2 such an impact. It was a way of life here. We felt it when
3 they left. As long as they were here, you know, it was --
4 but when they left, we noticed it -- Beaver Creek got smaller.

5 When I came up here, we had grade
6 nine in school -- we've got grade eight now. So, if that
7 would help any, like Walter Dryke there mentioned, if it
8 helps the education, I'm all for it and so -- not the social
9 -- the ecology and all that -- I think that's a bunch of
10 garbage.

11 Once it's in, and buried, what
12 the hell. All this talk -- talk, talk -- if they would have
13 to build an Alaska Highway now, if this would be a war project,
14 hell, the Japs would be down here over us, we wouldn't even
15 have to build one. They would still be talking where they
16 would build it, meanwhile, they wouldn't even have any land of
17 their own to build it on. It would be taken over.

18 Same thing, it's always talk,
19 talk -- but nobody has a definite answer. Nobody comes out
20 with an answer. It's always talking around, talking around,
21 if it will come. Are we talking about a pipeline -- are we
22 selling it -- is it coming in here, are we importing it to
23 South -- to the East, or are we -- is it just a transit. It's
24 sealed here and sealed when it gets down to the other border
25 or are we buying it, which is it? Nobody knows for sure.
26 We are supposed to get gas here, whatever it is supposed to

1 put it in down in Alberta, they're supposed to put that much
2 gas in again, what we take out here, so the same amount goes
3 out.

4 Well, is that it? Is that what
5 -- is that the question, but as far as the impact, I would
6 say if they want to build it, build it, go ahead do it. The
7 heck with the railroad. If you need it now, you need it now.
8 Not ten, not twenty years from now. You need it now. Build
9 it, what the heck. Now, once it's paid for, sure, in ten or
10 twenty years from now, that thing should be paid for, other-
11 wise it's no use putting it in. Like everything else, it
12 should pay for itself like any other business. If it doesn't,
13 it's no use having it. You're better off without it. That's
14 what I think about it.

15 MR. CHAIRMAN: Thank you very
16 much sir. I think without calling on Mr. Burrell -- the
17 short answer to your question there -- as I understand the
18 company proposal, is yes, it would involve putting back in
19 in Alberta, an equivalent amount that would be used here in
20 the Yukon.

21 Okay, so can I ask if anyone else
22 -- yes? Mr. Johnnie?

23 MR. JOHNNIE: Yeah, my name is
24 David Johnnie. I've been speaking here all day.

25 I know a lot of people want that
26 pipeline to go through and I wouldn't mind if I had the

1 experience to go along with it all the way. But then you
2 have to think about the other people -- forty-five, middle
3 ages -- native people. I mean, we ain't asking for no get-up
4 in here you know, thank you, thank you man, you know. We
5 ain't asking for nothing. All we're asking is that we want to
6 get that land claim over and a lot of people forgot the land claim
7 for a while -- a lot of people said sure, get land claim. What are
8 you going to do with it?

9 Sure, I'm no blacker than you
10 are. I've got the land, but they ain't going to do nothing
11 with it. Christopher Columbus came over here and all that
12 jazz, you know. Sure, we were over here first and we never
13 complained about it until 197 something, so here we are.
14 We're talking about this pipeline. I mean, I've got nothing
15 against that, I mean, sure, it will help the Yukon, it will
16 help everybody, I mean the business people. But what about
17 us? We'll have to straighten our lives out. They came across
18 here, we never said nothing. We didn't know what to say.
19 They came across here, got this and that. They paid the tax
20 and all that, we pay tax too. We never said nothing.

21 Right now, they want this land
22 claim. Okay, we want it, but we ain't begging for it. We
23 just want it. My dad -- he's been through this country a
24 long time. He never said nothing about this -- these people
25 around here in Beaver Creek. He said they're good people.
26 Sure, they're good people. We come here a couple months and

1 write a little bit, this and that, but -- like I'm not -- I
2 went to high school, grade nine, grade ten. I failed. I came
3 back, I could have went back to school. My dad told me to, I
4 even tried trapping, so I tried. Clayborne came up there
5 and put a cat trail back in there, the whole works.

6 It's good for the Yukon, but you
7 have to wait for us to catch up -- I'm not begging you guys
8 to wait either or do you have to wait for us. You don't
9 have to wait for us, but we want that land claim over before
10 we want that pipeline through. I mean, that's all I'm saying.
11 We just want that land claim over and the pipeline. After
12 the land claims are over, okay. We can talk about a pipeline
13 -- three years. Not like Mackenzie, ten years.

14 Thank you.

15 MR. CHAIRMAN: Thank you, Mr.
16 Johnnie. Mr. Lockhart?

17 MR. LOCKHART: It's me back
18 again. I figure well, probably in a nutshell my superiors --
19 so I might as well shoot the whole
20 biscuit. Anyway, I have two questions come to mind but I'd
21 like to lead up to the questions.

22 This whole situation brings to
23 mind a rather interesting book I read about two years ago.
24 It's written by an author, his name is Richard Rohmer, and
25 you spell that R-O-H-M-E-R and the book's entitled "Ultimatum"
26 and the situation of the book is exactly this. It's a pipeline

1 from the North and unfortunately, it was a little dated at
2 the time, there happened to be a Texas President which we
3 know has changed and he issued an ultimatum to Canada and the
4 first part of the ultimatum was settle your land claims and
5 the second part was either give us the oil or we're going to
6 annex you.

7 I can see a situation when the
8 Alaskan oil runs out that this very thing happening. But the
9 big thing I have to keep thinking about, the first question,
10 and then I'll lead up to why I'm asking it, is of my friend
11 here, what do you want out of land claims? Do you want a
12 cash settlement so that you can go spend it your own way or
13 do you want some kind of a lend-lease program, a long term
14 policy? In other words, do you want a short policy, do you
15 want a long policy?

16 I say that because I think of
17 some very good friends of mine who happen to have a reservation
18 in that there Park Royal Plaza in Vancouver situated on --
19 a long term policy--- because a lot of people looking at these
20 native Indians right now, is off. They've played it smart --
21 instead of going for a short term cash, they went long term.
22 They've got something to show and they're growing and they're
23 growing.

24 But the other part behind it
25 that I think about this pipeline, reminds me of a situation in
26 New Brunswick and there's a river in New Brunswick called the

1 Miramichi and on the Miramichi, there was a great salmon
2 situation and this was just after the war and the Whiteman
3 very -- you could say intelligently or deviously -- depending
4 on which way you look at it, negotiated with the Indians for
5 fishing rights in the Miramichi and the Indians were told
6 you could fish so much and then the rest you can negotiate.

7 When I was leaving New Brunswick,
8 just after I got married, I was down in the Maritimes for a
9 honeymoon and I was in a rather happy mood until I heard
10 something and that something I heard was the fact that the
11 salmon industry had pretty well shut down and that the Indians
12 were about to become part of a program in which they would
13 be paid not to fish.

14 Now, you put yourself in that
15 situation, how would you feel to be paid not to operate a
16 store or to be paid not to pump gas because there's a shortage
17 now and this is what's going to happen. We're running out of
18 fuels and this gentleman off to my left here, wants you to
19 use up your fuels. This is what they want. There's lots of
20 things other than gas that come out of natural gas. There's
21 medicines, your plastic industry -- I mean, how could you
22 housewives get together in Tupperware parties, if there's
23 nothing to make the Tupperware out of and this is what you're
24 looking at.

25 But I am more afraid because I,
26 having had the experience of reading some rather interesting

1 magazines about how many medicines come out of the petroleum
2 industry. I would recommend the people who think about it,
3 there's a lot more than gas. Do we want to use up our gas
4 or do we want to have viable alternatives. This is why I
5 mentioned the railroad. With the railroad -- if you do find
6 a viable alternative, how are you going to get it through a
7 pipeline.

8 If you find a uranium discovery,
9 what are you going to do? Melt it, because you'll melt the
10 pipeline as well. If you find gold, what are you going to do,
11 sit at one end and blow to get it through to the other end
12 because that's about the only way. It would be too heavy to
13 pipe.

14 This is the question. Now, I
15 asked the question earlier and I didn't receive what I con-
16 sider to be a proper answer and that was, what does the
17 gentleman that proposed to build this pipeline, have to
18 offer this community. You see, I'm lucky, because I'm in the
19 same position as those gentlemen. I'm up here for the summer
20 and I'll be gone and you people have to live with this and when
21 I'm gone, you can -- you'll all be wallowing in a slum and it
22 won't bother me -- I'm going to be way down on the Coast.
23 These gentlemen will be in Alberta or Washington getting
24 promotions.

25 I can see that the only viable
26 answer is what do they have to offer in twenty-eight years is

J. Lockhart

1 nothing, that's the answer, whereas with there -- something
2 like the railroad tracks -- what have you got to answer?
3 If you find something, we'll be there to ship it. But I find
4 that while I was out there, I keep hearing this thing, well,
5 what are you worried about, you'll be long gone in that amount
6 of time, well, I have to go back to something my father told
7 me and my father and I didn't get along for quite a long time
8 and that is that he said that the reason we fought in World
9 War II is so that you'd have a better world to live in and
10 have we forgot those ethics. Has everybody here just com-
11 pletely forgot those ethics.

12 Are you looking at your children
13 and say, well, you can live with our mistakes and that's your
14 tough luck because we'll be dead and buried and we won't give
15 a shit. That's the way I feel and as I say, I'd like --
16 the question I have to ask is what do you want for your land
17 claims? .

18 MR. CHAIRMAN: Mr. Lockhart, I
19 don't want to discourage your particular channel of discussion
20 here but I'm not sure to whom that question ought to be
21 addressed. We don't --

22 MR. LOCKHART: I think really, if
23 we want to be honest, I can look around and there's got to
24 be more than one person here that has claims to native
25 Indian heritage and what I'd like to hear is from every person
26 that's here, that has a claim to native Indian heritage. I'm

Lockhart, Ledergerber
Fromme

1 tired of hearing spokesmen for everybody, because the trouble
2 with spokesmen is that they all have prepared speeches.

3 I have the disadvantage that I
4 just heard about four days ago so I wasn't able to prepare
5 a speech. If I had of been, I sure -- I would have had a
6 much stronger argument against the pipeline. Thank you.

7 MR. CHAIRMAN: I don't want to
8 be arbitrary at all in my rulings here, but I'm a little
9 concerned about developing a separate line of discussion on
10 the land claim. We have had a position stated to the Inquiry
11 by the Counsel of Yukon Indians and we will be having a
12 further submission when the formal hearings resume in White-
13 horse.

14 Those are related of course, not
15 a general exposition of the land claim but how it relates to
16 the construction of a pipeline so in any event, if I may at
17 least defer any further discussion along that line, for the
18 moment, to see if we have any other comments.

19 Mr. Lockhart, I'm sure no one
20 here is going to report you to your superiors.

21 Anyone else?

22 STEVE FROMME, Sworn.

23 MR. FROMME: My name is Steve
24 Fromme and I'm an Alaskan and I'm just passing through and
25 I'll be gone tomorrow, but being as there was a little
26 reluctance for anyone to say anything, I thought I'd step up

S. Fromme

1 and say a few words and be brief.

2 I just finished working close to
3 two years on the Trans-Alaska Pipeline and with the proposed gas
4 pipeline now or route trying to be decided, I can understand
5 the hesitancy or the reluctance of the people of the Yukon
6 in having a pipeline cross their territory just as there was
7 much controversy about the Alaskan Pipeline going through
8 Alaska. There are pros and cons, they're legitimate problems
9 that will crop up. It's just been my experience in the two
10 years that I worked on the Alaska Pipeline, that as far as
11 construction is concerned -- and it's a much larger pipeline
12 -- not near the magnitude of the proposed gas pipeline, that
13 as far as any kind of damage or destruction, it will be very
14 small.

15 I've witnessed what Alyeska -- the
16 pipeline consortium has done in building their pipeline --
17 and they have done an admirable job in causing as little
18 damage as what some people had thought would have happened.
19 It's just my opinion that if a route is selected through the
20 Yukon that the big concern that the people of the Yukon have
21 to worry about is assuring that the most benefit and the
22 least problems develop with the building of this pipeline.

23 You may not have to worry about
24 anything at all because there are a lot of Alaskans who would
25 be happy if the line was an all Alaskan line, but in the event
26 that it does come through the Yukon, you have a very legitimate

1 and I don't envy the problems that will have to be sorted out
2 in regard to native claims, in regards to the social impact,
3 because things have changed in Fairbanks. They're not the
4 same as when -- prior to the pipeline -- but on the whole,
5 I think that you'll find that it is not such a monster, it is
6 not a wolf in sheep's clothing, it will be a short term effect
7 I think in the Yukon. There will be a boom for a period of
8 time, but then the Yukon has gone through a number of them
9 and still survived.

10 I don't know what else I can say.
11 I just thought I'd let you people know that the word pipeline
12 is not necessarily a word to be scared of or to condemn
13 automatically. I'm -- was lucky enough to work two years on
14 the Alaska Pipeline, I made a little bit of money, I can enjoy
15 myself and relax now for a time and of course, I will have to
16 worry about what's going to happen now that it's over.
17 I wouldn't be too paranoid about the building of a pipeline
18 through the Yukon.

19 I think there are more benefits
20 that could result than there are possible ill effects and
21 that's about it.

22 MR. CHAIRMAN: Mr. Fromme, I'd
23 like to thank you very much for coming forth. Before you
24 leave, I might mention that this Board -- and I'm sure others
25 -- are very interested in the Alaskan experience and we look
26 forward to learning a good deal about it in the coming weeks.

1 It just occurred to me, without
2 putting you on the spot, that perhaps someone present here
3 might have a question about -- you're living now in Fairbanks,
4 is that correct?

5 MR. FROMME: Yes.

6 MR. CHAIRMAN: Yes. A question
7 or two to put to you, if you wouldn't mind trying to --

8 MR. FROMME: It's fine with me.
9 I'll try and answer anything.

10 MR. CHAIRMAN: Yes, Mr. Hendry?

11 MR. HENDRY: Sir, have you
12 noticed a sharp increase in expensive vehicles for sale,
13 have the prices dropped, and other general downward trends?

14 MR. FROMME: Well, you will find
15 and it's typical, I guess there's no way of getting around
16 it, you now find that rent prices are going down, of course,
17 the demand is down and but, I don't know how you can avoid
18 that sort of thing.

19 In your community for example,
20 I can envision the stores and the businesses now in operation,
21 if there were a pipeline to come through, would experience
22 a sharp increase in their income, but that would be very
23 temporary and I think people would have to approach it with
24 that idea. There are a number of pipeliners -- people who
25 worked on the Trans-Alaska Pipeline -- who made a lot of
26 money, the wages were good and they didn't think of it as

S. Fromme
M. Hall

1 being a short term project, that that money wasn't going to
2 continue to come in and a lot of people are consequently
3 thinking that all this money was going to continue coming in,
4 found themselves on the short end of the stick, now that the
5 project's finished because jobs are scarce, things are getting
6 worse in Fairbanks.

7 You will find that with the end
8 of any construction project and all your related industries,
9 whatever they might be. Businesses are going to face a
10 reduction in their income when a construction project com-
11 pletes. Yes?

12 MS. SUTHERLAND: How about
13 the prostitution with the young --

14 MR. FROMME: Well, I was up in
15 -- I was stationed in Brooks Range most of the time. On the
16 occasions I was in Fairbanks, there was only one area of town
17 that was -- that could be easily located and that was on what
18 was called Second Avenue and other than that, I couldn't --
19 I have no really firsthand experience with --

20 MR. CHAIRMAN: I just wonder if
21 you wouldn't mind getting close enough to a microphone so we
22 can hear your name and the question.

23 MS. HALL: You don't have to
24 worry about me, I don't want to ask you any questions. First
25 of all, Dave, the prices of houses are dropping at the Coast
26 and a lot of big cars are for sale down there and there's no

1 pipeline problem there and as for prostitution in Fairbanks,
2 in Calgary, the prostitutes are card-carrying girls and I
3 don't see how it could be any worse than going to the police,
4 becoming a card-carrying girl so that the police don't give
5 you the hassle, as long as you're not picked up on the
6 street, everything's fine, so it's -- and they aren't having
7 that much of a pipeline problem either.

8 So, I don't really see what this
9 -- I mean to put this man on the spot and we're going to have
10 the problems in any major city anyway and I can't see the
11 prostitution problem becoming that bad in Beaver Creek in the
12 foreseeable future.

13 MR. CHAIRMAN: Your name please?

14 MS. HALL: Maryanne Hall.

15 MR. CHAIRMAN: Thank you.

16 MR. CHAIRMAN: Any other questions
17 -- any questions for Mr. Fromme?

18 MR. PHELPS: When Maryanne --
19 you asked those questions, perhaps just for the record, you
20 could say what your position is about the pipeline, since
21 you've been up once.

22 MR. CHAIRMAN: Mr. Fromme is
23 stepping down. It's very good of you to step forward.

24 MS. HALL: I agree with Beat
25 Ledergerber. Let's get it done, I mean, these people that
26 you are dealing with at Foothills, they are not a bunch of

M. Hall

1 amateurs. They have built pipelines in Alberta. They know
2 what the environmental effects are going to be. They are
3 going to look into it and make sure that we aren't going to
4 have gas leaks and that suddenly the Yukon is going to become
5 devastated by foliage dying all over the place. As for
6 land claims, with the Mackenzie Delta -- I was listening to
7 the news over and over again with it -- and one of the Indian
8 Councils said that they were going to claim what they already
9 had plus perhaps another sixty to six hundred thousand acres,
10 however, they were not going to claim the land where the
11 actual Mackenzie Delta Pipeline would be going down, but they
12 did want three dollars at wellhead -- at the wellhead coming
13 off of that, put into an account for them.

14 Perhaps I can send in my land
15 claim for that amount then too, if they aren't claiming the
16 land, how can they claim the resources for it? Are the
17 Indians here in the Yukon going to claim the Alaska Highway?
18 I understand it's running right beside it. Are they going
19 to suddenly claim it? Will they start charging tolls for
20 people coming back and forth using it? I think it's
21 ridiculous. Let's get it done. I mean, these people as I
22 said, are not amateurs. They are going to look after what
23 they can. They are taking American gas to American markets.
24 They are not going to get us screwed up here throughout
25 Canada. They have to live here too. They have to put in
26 another pipeline probably in the Mackenzie Delta in ten years

1 time.

2 If they louse us up here, they
3 aren't going to have a chance of getting probably the contract
4 or it's going to be held off for a lot more years there.
5 That's it.

6 MR. CHAIRMAN: Thank you for
7 that statement. I think we had someone else who was about
8 ready to make a question. Yes?

9 MR. NAUYOK: I don't know how to
10 go about this, but my name is Mark Nauyok and I'm a landed
11 immigrant to the Yukon and I've been here for approximately
12 two years.

13 MARK NAUYOK, Sworn.

14 What I understand -- I'm all for
15 the pipeline going through because I understand it's going
16 to be a short term basis. I'll get out there and work and
17 everything, but as far as the promises afterwards, I've just
18 been -- I was talking to the man that represents Foothills
19 Pipe Lines during the recess -- and to my knowledge, which I
20 was just informed, there's already one hundred and twenty
21 applicants taking schooling now for the permanent positions,
22 for the inexperienced, and he can't give me a definite answer
23 on how many applicants are in line for schooling and third
24 of all, he can't give me a percentage of how many are Yukoners
25 already.

26 But I am for the pipeline because

1 I'll make the best of it and everything else and that's all
2 I've got to say.

3 MR. CHAIRMAN: Mr. Burrell, do
4 you have some facts and figures there on the make-up -- I
5 take it this is of the Nortran Group.

6 MR. BURRELL: I'm afraid I don't
7 have the numbers of Yukoners that are in the Nortran Program.
8 There are a hundred and twenty people in the Nortran Program
9 now and they come from the Northwest Territories and the
10 Yukon, but I'm afraid I don't have the breakdown of how many
11 are Yukoners or how many are N.W.T. people.

12 I do know that the majority of
13 the people are from the N.W.T. and the reason for that of
14 course, is -- one of the reasons is that in earlier years,
15 the major discussion on a pipeline from the North was along
16 the Mackenzie Valley and there was more interest shown in the
17 program in the N.W.T. than in the Yukon so consequently, there
18 are more people from the N.W.T.

19 But in recent months, because of
20 the project that we're proposing, there has been a considerable
21 amount of interest shown in -- by Yukoners to get into the
22 Nortran Program, but as far as how many people have applied,
23 I really don't know.

24 Now, the other point the gentle-
25 man had was that there are already a hundred and twenty
26 people working on the -- in Nortran and as a result of that,

1 it will fill all the non-skilled jobs. Well, the breakdown
2 of that one twenty is that the majority of them are working
3 in gas plant operations with Imperial Oil, Shell and Gulf.
4 There are twenty-five northerners -- northern people working
5 in the Trunk Line system. There are, I believe, another
6 twenty working on TransCanada that are working in the trans-
7 mission business, but these are the people that first of all,
8 in working with either TransCanada or Trunk Line, they have
9 permanent employment with those firms so that some of them
10 may not -- may decide not to come North. Others have
11 expressed the interest to go into the N.W.T. but not to Yukon.

12 But even if some of them did
13 decide to come to the Yukon, they've been on this program
14 perhaps for three years and they would be tending to take the
15 jobs that we would call skilled operating jobs that we see
16 would have to be in much of the case, filled from people that
17 have had previous pipeline experience.

18 I don't see that any of the jobs
19 which we have in the operating and maintenance phase which we
20 classify as not requiring previous pipeline experience, would
21 be filled by these present Nortran trainees. Those particular
22 positions would be available to Yukoners and Yukoners would
23 have the first chance at those jobs.

24 MP. CHAIRMAN: Thank you,
25 Burrell.

26 MS. SUTHERLAND: My name is Sutherland

1 Sutherland and I wasn't really worried about prostitution,
2 but it seemed to be, a lot of people who have talked already,
3 was one of their concerns.

4 I'm in favour for the pipeline.

5 Thank you.

6 MR. CHAIRMAN: Thank you.

7 Anyone else with a statement or a question? Mr. McPhail?

8 MR. McPHAIL: May I ask a few
9 questions?

10 MR. CHAIRMAN: By all means.

11 MR. McPHAIL: I've been sitting
12 here listening to the whole deal. I listened to everyone
13 that has spoken so far and I've listened to the radio,
14 watched television a little.

15 There's one thing though I'd like
16 to get clear in my mind and maybe it is asking people that call
17 themselves Indians, what their land claim is in the first
18 place. What is their land claim? What does it involve?

19 MR. CHAIRMAN: We have a little
20 difficulty on that, Mr. McPhail, because while we have
21 official representatives of the pipeline company to speak
22 for them, we don't this evening, have anyone here to speak
23 officially for the Council of Yukon Indians, which as you
24 know, is the group that is negotiating the Yukon Indian
25 claims.

26 MR. McPHAIL: Well, I heard one

1 fellow sit here and say he wanted to get his claims settled.
2 His ancestors came to this country the same as mine did or
3 similar. I was born and raised in Canada too. My ancestors
4 came from the old country the same as his did. Now, why has
5 he got an aboriginal claim, where I don't have?

6 Where is this claim coming from
7 in the first place?

8 MR. CHAIRMAN: As I say, we have
9 a bit of difficulty there because we don't have anyone here
10 who is able to speak to the -- either the historical basis
11 or the present state of discussions with respect to the Yukon
12 Indian claims.

13 MR. MCPHAIL: Well then, I think
14 that these kinds of meetings should be held back until the
15 time comes when we have an answer from Ministers or from our
16 Government of Canada or Trudeau or whoever it might be.

17 MR. PHELPS: I might just say
18 that it is my understanding that the Government of the Yukon
19 has a Standing Committee as you know, on land claims and
20 Hilda Watson is the Chairman and I believe that they will be
21 getting that particular debate before the public. I think
22 really what we're saying is that the concern of everybody
23 can be expressed -- that's the appropriate place to really
24 get into it in depth.

25 I'm sure that they will be coming
26 this summer, Hilda?

1 Yes, I certainly
2 -- what I'm saying is that it is a very important issue and
3 I agree with you there. I think everybody should have a
4 chance to talk about it, but this isn't the right place for
5 it that's all. There is an opinion being expressed by the
6 native people and there will be people from the government
7 saying their position as well.

8 The government -- your government
9 of the Yukon Territory and my government too -- will be
10 appearing before this Board with their positions and the
11 Federal negotiator has appeared and will be appearing again
12 and while it is a very crucial issue, and I don't like to duck
13 a crucial issue, that will be coming to you people here.
14 Mrs. Watson and Yukon people will be seeing that the various
15 aspects are discussed here. I hope that answers your question.

16 MR. MCPHAIL: Well, I as before,
17 said that I am a taxpayer, I don't like the idea of a bunch
18 of people pulling against another bunch of people when they
19 have no representation.

20 MR. PHELPS: Well, that's fair
21 enough and that's fair enough for you to express your views,
22 but it's not the place to get into a debate about it, that's
23 all.

24 MR. MCPHAIL: It's me who's
25 paying for it.

26 MR. PHELPS: Yes, we have your opinion.

1 MR. McPHAIL: I'm one of them.
2 I'm not the only one either, but I'm one of them and I should
3 be able to have a little voice in where our tax dollar goes.

4 MR. CHAIRMAN: That's for sure.
5 That was one area of your question was it, Mr. McPhail? All
6 right.

7 MR. NOTLAND: I'd just
8 like to make a little comment here about the pipeline.

9 MR. CHAIRMAN: Certainly.

10 MR. NOTLAND: But I'd like
11 to find somebody --

12 MR. CHAIRMAN: May I just ask
13 you please to identify yourself.

14 MR. NOTLAND: Stan Notland.

15 MR. CHAIRMAN: Thank you.

16 MR. NOTLAND: I'd like to find
17 somebody to represent me because my father walked into Alberta
18 with a gun in his hip in the early 1900's. I'd like somebody
19 to represent me for fifty square miles of Alberta that I must
20 own by this land claim deal. I must own it because my dad
21 went in there many years ago and you know, if this land claim
22 deal -- I must own a heck of a pile of Alberta there, you
23 know, because he walked in there and took over many years ago.
24 So, I don't know how they figure out this land claim deal at
25 all.

26 MR. CHAIRMAN: Thank you, Mr.

1 Notland.

2 MR. NOTLAND: I'd just like
3 somebody to tell me how this goes about.

4 MR. CHAIRMAN: We've noted your
5 question for the reason stated -- discussions will be
6 happening in another forum.

7 Can I ask -- yes?

8 MR. NAUYOK: I'd just like to
9 say -- just kind of sum of my views.

10 MR. PHELPS: Can we have your
11 name on the -- it's important that people give their name
12 because it's being all written down and when we read the trans-
13 cript --

14 MR. NAUYOK: Mark Nauyok.

15 MR. PHELPS: Right, I know your
16 name but we have to be able to pick it up in the transcript
17 each time.

18 MR. NAUYOK: I just wanted to
19 say that let's just do it -- get it through here, but don't
20 look at it as a long range thing. It's not. It's going to
21 be here and it's going to go and if you do like the man did
22 in Alaska and just get your shit together in one bag, you'll
23 make out all right and in the future, you'll make out and
24 that's all there is to it.

25 If you're not afraid to work,
26 it will be here, but it'll only be here for a while. That's it.

8 For those who were here this
9 afternoon and those of you out this evening, thank you very
10 much indeed for coming out.

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